FINANCIALTIMES

Budget boost for Dutch coalition, Page 2

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World news

Mexico rocked by quake

The Mexican Government has de-ciared Mexico City a disaster area after a hig earthquake killed at least 150 people and shattered scores of buildings. Hundreds of residents in the cap-ital with an 180 peopletion appro-

ital—with an 18m population—were trapped in rubble from collapsed hotels, schools and apartment blocks, Mexican television monitored in Guatemala, said.

Domestic communications were cut by the earthquake, which measured 7.8 on the Richter scale - the world's strongest since one that killed at least 177 people in Chile in

'Asian' law to go South Africa's President, Mr P. W.

Botha, plans to repeal a law barring Asians from living in the Afrikan-ers' heartland, the Orange Free

Nato choice

West German General Wolfgang Altenburg has been elected chair-man of Nato's military committee. Portugal protests

Portugal has sent a strong protest note to the Australian Govern over reported plans for joint exploration by Australia and Indonesia of oil deposits in the Timor Sea.

Bus crash kills six Six people were killed and 14 in-

jured in the town of Olsztyn, nor-thern Poland, when a bus was crushed between two trains. Moscow apology

The Soviet Union has apologised for one of its bombers violating Swedish airspace last June after initially denying the incident took

Policeman flees

A 34-year-old uniformed East German policeman escaped to West Berlin in his patrol boat across the Havel Lake, which marks the bor-der with the communist section of the city.

Brandt honoured Former West German Chancellor Herr Willy Brandt bas won the 1985

Einstein Peace Prize.

The Bangladesh Government is to award 1.8m take (\$65,517) to the families of 61 former bank workers who starved to death after they were dismissed in 1981 for striking.

Crime 'queen'

The alleged queen of Thailand's un-derground financial world, "Mae" Chamoy Thipyaso, has appeared in a Bangkok court on charges of swindling \$168m from 16,231

MPs in court

Two opposition party members of Korea's National Assembly have appeared in a Seoul court after an anti-government demonstration on Korea University's campus. Page 3

60 cultists die

Sixty people belonging to a reli-gious cult in Manila died after their leader formed them. der forced them to eat porridge laced with insecticide.

Tehran bomb

A two-year-old girl was killed and 36 people injured by a bomb at a bus station in the Iranian capital of

Gulf attack

Iraq said its aircraft attacked Iran's Kharg Island oil terminal, destroying an oil loading dock. Iran said a Page 23 tanker was ablaze and two seamen were killed.

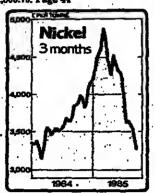
Test victory

Sri Lanka won their first Test cricket series 1-0 when they drew the last of three matches against India

U.S. plan for steel outlined to EEC

Business summary

STEEL: U.S. outlined to EEC officials the nature of a new trade re-straint agreement it wants in place by the end of October. Page 22 WALL STREET: The Dow Jones in dustrial average closed up 6.39 at 1,306.79. Page 44



NICKEL prices fell sharply on the London Metal Exchange after reports that some nickel producing companies had stopped buying on the market. Three-month metal felligible from Wednesday's unofficial close of \$2400 before withing to close of £3,400 before rallying to an unofficial close of £3,282.50 a tonne, the lowest level for 18 months

LONDON equities recorded wide spread gains, while gilts ended mostly unchanged. The FT Ordi-nary share index added 7.0 to 1,007.8. Page 44 .

TOKYO shares were higher, with property and construction issues especially sought. The Nikkei-Dow market average gained 35.33 to 12.534.39. Page 44

DOLLAR fell in London to DM 2.9010 (DM 2.9240), SwFr 2383 (SwFr 2.388), FFr 8.845 (FFr 8.88) and Y242.0 (Y242.1). On Bank of England figures, the dollar's ex-change rate index was up at 141.1 from 146 B. Page 3/

STERLING rose 45 points in London to close at \$1.3405. It also rose to DM 3.8875 (DM 3.775), SwFr 3.195 (SwFr 3.19), FFr 11.8575 (FFr 11.8375) and Y324.5 (Y323.5). The pound's exchange rate index was changed at 81.1. Page 37..... GOLD: In New York the December

Comex settlement was \$324.60, rose \$1.75 on the London bullion market to close at \$316.75. It also rose in Zurich to 2316'(2 (2310'02)' rate 20 BANQUE DE FRANCE has lowered its money-market intervention rate. by a quarter of a percentage point to 9% per cent in what is seen as a signal to French commercial banks

to lower base lending rates. CREDIT Commercial de France. the state-owned bank, lifted net profits 35 per cent to FFr 103m (\$11.6m) in the first half of 1985.

Page 24 INSTITUTO Nacional de Industria, Spain's public sector holding company, has sold the travel agency Vi-ajes Marsans to Trapsatur, a Span-ish travel company for Pta 907m

(\$5.3m). Page 25. PIEROTH, biggest West German wine merchani, sees a cut in sales of between DM 50m (\$17.5m) and DM 60m this year as a result of its involvement in the scandal over Austrian wines doctored with the chemical diethylene glycol. Page 23 MONIER, Australian building prod-ucts group, announced a 35.7 per cent rise in net profits to A\$31.04m

(U.S.\$21.1m) for the year to June and a one-for-10 scrip issue. Page 25 AHOLD, Dutch food retailer, lifted earnings 17 per cent to F1 62.1m (\$19.1m) in the first seven months of 1985, Page 24 SEL, the West German arm of ITT,

is to start manufacturing video re-corders in Rome in December.

SONY, Japanese electronics group, lifted overall consolidated sales 12.6 per cent in the third quarter to Y349.4bn (\$1.4bn). Page 25

World Bank hopes higher lending will win capital boost

BY STEWART FLEMING IN WASHINGTON

THE WORLD BANK, the Washington-based development agency, is expecting to increase its lending to developing countries by up to \$2bn to \$13.5bm in its current financial year, a boost which it hopes will help to clear the way for approval of major increase in its capital

concedes that the bank and the In-ternational Monetary Fund (IMF) need to make greater efforts to work more effectively together in helping to improve the economic performance of developing countries. Citing an internal investiga-tion of bank-IMF collaboration, the annual report says that its officials need to "have a clearer under-standing" of the conditions the IMF attaches to its loans and need to improve the speed with which they re-spond to DMF requests for informa-

The report makes it clear that the World Bank is not anticipating a firm decision on a capital increase at next month's annual meeting in

\$40bn to \$45bn range in the three fi- year, with partial global recovery as

nancial years 1986-88. It hopes that a result of the one-sided economic the annual meeting will approve a stimulus from the U.S. economy lending plan at this level and authorise the bank's management to been gradually eroded." work out details of the precise scale of the capital increase needed to

support such lending.
The scale and timing of a capital increase for the World Bank has seen a source of controversy, and at times recrimination, within the institution. In its latest financial year, stitution. In its latest financial year, the bank made loan commitments of only \$11.4bn, well short of its target of between \$12.5bn and \$13bn. The shortfall helped to reinforce doubts among the industrial countries which supply the bulk of the bank's capital, about how argently a capital increase is readed. a capital increase is needed

Those doubts still remain in spite of growing concern about the outlook for developing countries' economies and calls from officials such as Mr Paul Volcker, chairman of the U.S. Federal Beserve Board, for the World Bank to begin playing a bigger role in helping to resolve the problems of heavily indebted

According to Mr Joseph Wood, Commenting on the economic vice-president for financial policy, performance of the developing planning and budgeting, the World world, the bank's annual report Bank believes that it should be posi-Bank believes that it should be posi-tioned to lend at the upper end of a ture. It described 1984 as a mixed

been gradually eroded."

It says that in spite of the achievements in the rescheduling of \$110hn of developing country debt in 20 countries, including the multi-year rescheduling agreement with Mexico, difficulties in nego-tiating agreements with some debtors have increased. Oppor to the maintenance of restrictive policies, the burden of which falls neavily on the politically active ur han population, has hardened in some countries."

Commenting specifically on Latin America, the most heavily indebted region with total external borrowings estimated at \$360bn, it says that in spite of real growth of 28 per cent in pross domestic product (GDP) "it is likely that per capita tion continued to decline. It points out, too, that favourable economic performance in a few of the largest countries was a major factor behind the overall upward trend in economic performance in

In its own operations, the bank says that it has been putting insed emphasis on loans inked

Continued on Page 22

British employers given stark warning on wages

BY JOHN LLOYD, INDUSTRIAL EDITOR, IN LONDON

THE CONFEDERATION of British of warnings to its member-companies; push pay settlements down to around 4 per cent in the coming pay round or face unemployment ris-ing, benkrupteres taking off again, nflation back up and profits The grim forecast from the UK

employers' organisation is made in its presentation on pay to member-companies, which has the unusually apocalyptic title of make or

"the next 12 months will be a time of make or break. We are, as a nation, again at a crossroads." It says: "1979 marked the end of

an era, with the disappearance of incomes policies and the corporatist approach. If we are not very careful, 1986 could mark another watershed - this time with the future of the free market approach very much at risk. Where would we go

THE CONFEDERATION of British The 25-page document - which for competitors - and notes that the industry has delivered the starkest will also be made available in video- newly industrialising countries are of warnings to its member compa- tape form - shows that the bulk of catching up to UK productivity pay settlement in the year 1964-85 levels with much lower pay.

document stresses must be made employees are showing increases would move the settlement spread understanding of the need for prof-down to between 2.5 and 5.5 per its; real wages of those working cent, with the largest part falling have grown consistently in past around 4 per cent. In this spirit, the presentation - least to stop the rot on our labour sectors; and the number of industrinow being made to the country's costs. To close the gap means both all disputes have "fallen dramatical leading industrialists - says that continuing efforts to improve our ly."

have fallen in the range between 4.5

It claims, however, that pay presand 7.5 per cent, with the largest sames will be lower in the coming
part of these falling around 8 per
cent. The 2 per cent cut that the forecast to decline to 3.5 per cent. It says: Starting from a poor claims for shorter working time; at skill shortages are confined to few

productivity and pay settlements 2 The document says. "CBI mem-percentage points lower than this bers do not admit the unions' compercentage points lower than this bers do not admit the unions continue last year. If we do achieve this, parability claims, but earnings intended in the right creases – earnings rather than set direction: if we do not, then 1987 them the private sector, and highwith unemployment rising, bankers the downward path, otherwise taking off again, inflation back up and profits slumping." we could all too easily reach double-The document stresses that pro-digit increases in earnings. Then ductivity, while improving, still lags the pressure for a public service badly behind those of the UK's ma-breakout can be imagined."

Enterprise Oil succeeds with £122m Saxon takeover bid

BY DOMINIC LAWSON IN LONDON

ENTERPRISE Oil, the production amounced an agreed £188m mergwhich was privatised last year has succeeded in its £122m (\$183m) bid the closing date of the merger, and for second Oil, a fast growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 33 per cent of Saxon sharehold for it the last growing UK oil with 34 per cent of Saxon sharehold for it the last growing UK oil with 34 per cent of Saxon sharehold for it the last growing UK oil with 34 per cent of Saxon sharehold for it the last growing UK oil with 34 per cent of Saxon share

for Secon Oil, a fast growing UK oil exploration company.

By yesterday afternoon, initial closing date for the offer, Enterprise had received acceptances accounting for 50 per cent of Saxon's equity. The company has all ready accumulated 22.4 per cent by buying Saxon's shares in the market at the offer price of 540p per share.

The success of Enterprise's bid is second.

With 33 per cent of Saxon shareholders having already voted for it, the against Enterprise, and defended Saxon shareholders having already voted for it, the against Enterprise, speaks volumes in this market."

Schroder added that in its efforts to find a white knight it had excited the interest of a number of companies.

The success of Enterprise's bid.

But Mr John Heaney, the Saxon shareholders having already voted for it, the against Enterprise, and defended Saxon speaks volumes and defended Saxon speaks volumes in this market."

Schroder added that in its efforts to find a white knight it had excited the interest of a number of companies.

The overwhelming nature of the bid's acceptance was described by Interprise as "most gratifying."

the offer price of 540p per share.

The success of Enterprise's bid for Saxon, which was recommended per cent in the third quarter to per cent in the third quarter to shareholders on a five to four split vote by the Saxon board, term split vote by the Saxon board, term split vote by the Saxon board, term split vote by the Saxon and another UK excent to A\$43.04m (U.S.\$29.47m) in its year to June 30. Page 25

The fixed the executive who started the rescutive who started the revenutive who started the

But Mr John Heaney, the Saxon Enterprise as most grafifying. chief executive who started the Fewer than 8 per cent of the accept-

Canberra reform shifts tax burden to **business**

By Lachian Drummond in Sydney

THE AUSTRALIAN GOVERNM day introduced a tax reform package that will give back up to A\$4.5bn (U.S.\$3.6bn) to wageearning taxpayers and recoup up to A\$1.5bn in its first full year, mostly from increased taxes on business.

The key feature is a two-stage reduction in the marginal tax rate whereby the current 60 per cent top rate will fall to 55 per cent, then to 49 per cent by 1987-88 to match the corporate tax rate, which will be increased from the current 45 per cent level

Along with an increased tax rate business will be further hit by the end of the tax-deductible lunch, ing to be a deductible as of midnight last might

A capital gains tax, charged on inflation-adjusted profits at the marginal tax rate, is also to be intro duced. A range of non-wage job perk will be taxed, including company cars and low-cost loans.

As part of the reforms, an identity card will be introduced in Aus tralia for the first time, in an effort to reduce tax evasion and fraud un der the Medicare health insurance

The thrust of the package is to remove the incentive to avoid income tax by bringing previously untaxed employee benefits into the tax net and to remove any advantage from converting income to previously

non-taxed capital gains. The tax reform package, which on the Treasurer's figures involves a substantial benefit to the taxpayer who has tax withheld from his or her salary, has been accompanied by a reinforced message of government financial stringency.

Mr Paul Keating the Treasurer said that the shortfall between what is given and taken will not be made up through an increased defi-cit but through reductions in government programmes.

Included in the package is a tar inputation scheme for company dividends which will remove the effective double taxation of company dividends in personal hands, a step which will cost \$250m. The Government, however, in

tends to tax the profits of unit trusts conducting active operations. while retaining the non-tamble nature of investment trusts. The imputation system will apply for dividends paid in 1987-88. The increased corporate tax rate will be

applying to profits from 1985-86. A foreign tax credits system, sim ilar to that in the UK and U.S., will

imposed on collections for that year

Ministers put pressure on Hernu to quit

BY DAVID HOUSEGO IN PARIS AND OUR FOREIGN STAFF

PRESSURE mounted yesterday ithin France's Socialist Party for M Charles Hernu, the Defence Min-ister, to resign amid widespread incredulity over his latest denials over official French complicity in the Greenpeace affair.

12,8523 B

Officials conceded yesterday that unless there was an early end to the crisis, the damage to the Government in a run-up to next spring's elections and to President François Mitterrand would be enormous.

Already the Government was showing signs of confusion follow-ing its inability to extricate itself from claims in France and in New Zealand over its involvement in the sinking of the Rainbow Warrior in Auckland Harbour on July 10. The ship was assigned by Greenp ing in the Pacific.

Among ministers believed to be pressing for Mr Hernu's resignation was M Pierre Joxe, the Interior Minister and a confident of the President. His ministry was one of the sources of the allegations made earlier in the week by Le Monde,

the Paris daily. These allegations included the claim that a third group of French foreign intelligence (DGSE) officials was behind the sabotage of the essel, which claimed the life of a Portuguese photographer on board

at the time. Prime Minister, nor any other nember of the Government has stepped forward to support M Her-nu's latest denials, issued on Wednesday, which claimed that a "campaign of calumny was being mounted against the French armed

The official line is that the Government is united in its determination to establish the truth - which puts the onus on M Hernu as the minister responsible for the armed

In the three weeks since he was asked by the Prime Minister to pursue the matter, M Hermi has been unable to name those responsible for sinking the ship.

His dilemma deepened yesterday after a statement by Mr David ly implicated because M Joxe alert-Lange, the New Zealand Prime ed him to DGSE activities in New Minister, which disputed French Zealand on about July 18, eight claims that there were only five days after the sinking, but the Pres-French secret agents sent to New ident waited for three weeks before Zealand in connection with the naming a commission of enquiry sinking of the vessel

five people from France in New ready begun to say that if they are Zealand. Mr Lange told a press victorious in the parliamentary conference shortly after police dis- elections in March they do not want Continued on Page 22 Monde was head of a sabotage who was involved in a "cover-up."



M Hernu: denials win no support

squad and bad been in Auckland around the time of the sinking.

A police official in Wellington said that there was evidence that a man named Louis-Pierre Dillais was in the city around mid-July. He would give no dates, but said that police had evidence that a *Philippe Dubaset" and someone named "Dormond" also had been in Auckland. It was not known if these Neither M Laurent Fabius, the were different people or aliases for

The resignation of M Hernu, a senior minister and one close to President Mitterrand, would be a damaging blow to the Government. But senior Socialists believe that it would be preferable to a long drawn-out crisis in which President Mitterrand's image was increasingly eroded. It remains to be seen whether M Mitterrand's name can be entirely freed from the affair.

The President is involved because the senior army command which is accused of lying over responsibility for the operation is di-rectly under his authority, and because of the moral symbol of his

M Mitterrand is also more directinto the affair.

I know there were more than Some in the opposition have al-

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Brandt

Honecker

By Leslie Colitt in East Berlin

ELEVEN YEARS after former

West German Chancellor Willy

Brand't aide Herr Guenther

Guillaume was exposed as ru East German epy, Herr Brandt vesterday shook hands for the

first time with East Germany's

Herr Brandt, as chairman of the opposition Social Democrat

Party (SPD), had refused until

now to pay an official visit to East Germany. He held Herr

leader Herr Erich Honecker.

boycott

ends

Pressure from neutral nations splits NPT talks

A RESOLUTE effort by neutral certainly win the backing of the and non-aligned countries to majority of the delegations. force the U.S., the Soviet The core of the dispute force the U.S., the Soviet The core of the dispute is Union and Britain to negotiate article VI of the 1970 treaty a comprehensive test han treaty under which the signatories has split the 90-nation conferundertook to nogorate o balt ence which has been reviewing to the nuclear arms race and a the functioning of the nuclear treaty on nuclear disarmament, non-proliferation treaty (NPT)

Most of the 130 eignatories for the last three weeks. In feel strongly that their renuncia-The final plenary session of tion of nuclear weapons under the conference is scheduled to the NFT has not been matched meet late this afternoon. Yester- by action from the nucleor

The stumbling blocks are three resolutions tabled by Sr Alfonso Garcia Robles, tha Mexican delegate, on behalf of Washington and London also dispute that adocusts verification.

the neutral and non-aligned

One seeks agreement by the nuclear-weapon powers to nego-tiale a comprehensivo treaty banning ouclear weapon tests. A second calls for a moratorium on nuclear testing as an interim measure until a comprehensive han has been reached.

moscow announced on August 6. a halt to trade with South
Tho third resolution aims at
a "nuclear freeze," halling further production and deploymentof nuclear weapons.

If no consensus is reached on the wording of a declaration.

The moscow announced on August 6. a halt to trade with South Africa and one from Iraq condemning Israel for its aerial agreement of the moscow and the second on the wording of a declaration.

The moscow announced on August 6. a halt to trade with South africa and one from Iraq condemning Israel for its aerial agreement of the second of the secon

the wording of a declaration, ST Carcia Robles wants votes taken on his resolutions of the taken on his resolutions of the final plenary session. He would see the signed the NPT and both are believed to have the taken on his resolutions of the capability to make nuclear weapons.

meet late this afternoon. Yesterday a drafting committee was striving to agree on the wording of a concluding declaration acceptable to both the nuclear-weapon powers and tho nonnuclear countries.

The stumbling blocks are by action from the nucleor powers towards disarmament. The U.S. and its allies orguo that priority should go to nuclear or powers and the nuclear or mass control talks between the U.S. and the Soviet Washington and London also dispute that adequate verifica-

> comprehensive test han effec-A similar disagreement over implementation of article VI prevented a common declaration being issued at the end of the second NPT review conforence Other controversiol resolu-

tion measures exist to make a

This resolution conforms with tions before the drafting com-the moratorium on Soviet tests mittee yesterday were one by until the end of the year which the African notions calling for

Spain expected to stay in Nato after Cocom decision

BY TOM BURNS IN MADRID

THE Spanish Government's de-Although the Government cision to join CoCom, which still plans to stage the Nato groups Nato member nations plebiscite, entry into CoCom is and Japan lo monitor military seen as a clear indicator that exports, is viewed as an implicit rejection of any future been discounted by Socialist withdrawal from the Western Prime Minister Sr Felipe Gon-

alliance. zalez,
The decision, taken at a Spain's refusal to join CoCom
Cabinet meeting on Wednesday, during Sr Moran's tenure at the had been a contentious issue for Foreign Ministry, put in jec-the Government. CoCom mempardy a \$200m (£149m) microthe Government. CoCom membership hod been opposed by Sr Fernando Moran, the former foreign Minister who was dropped from the Cabinet last July, on the grounds that it could not precede a planned referendum on the question of Spain's continued presence in Nato.

pardy a 5200m (21220m) membership producing venture planned by "American Telephone" and Telegraph Washington withheld approval on such investments because it was not satisfied there were sufficient controls in Spain to prevent the re-export of sensitive "dual use" technology.

Ireland chooses satellite from Hughes for DBS

the British tsles and parts of of satellites appears to have Xonhern Europe. The choice of Atlantic favour.

Satellites consortium was some-

THE Irish Government has chosen a satellite designed by Hughes Communications of the U.S., to supply the direct broad-casting system (DBS). Programmes from the satellite will he receivable in the whole of munications in the manufacture of satellites and a half yers, could be Ir£t00m (£30m). Attentic Satellite is headed by Mr James Stafford, on Irish businessman. The experience of Hughes Communications in the manufacture of satellites and a half yers, could be received by Mr James Stafford, on Irish businessman.

The Irish market could not Satellites consortium was something of a surprise since a rival group Westsat, which included the Irish Broadcasting Service, RTE and Ailied Irish Banka, had been facourite.

In the event the Irish Government appears to have been worried at the possible losses which might be incurred by RTE if the project became a commercial failure. A final grammes is likely to be bought cost for the satellite, which is

Austrian rivals sacked from party posts

TWO former Austrian finance ministers incloding the present head of the country's largest bank were suspended from holding positions in the ruling Socialist Party yesterday fotlowing a row which has seriously undermined party unity and morale. A special meeting of the

party's executive committee chaired by Dr Fred Sinowatz. the party leader and Chancellor, decided yesterday to suspend Dr Hannes Androsch, a former financo minister under Dr Bruno Kreisky and head of the Creditanslaft Bankverein, and Dr Herbert Salcher, finance minister until a government reshuffle in September tast year, from all their party positions for the next five months. Both men retain their

months. Both men retain their party memhership.

For about two years Dr Androsch and Dr Salcher have heen trading public insults following allegotions of tax irregularities against Dr Androsch by supporters of Dr Salcher. Dr Androsch has always denied the charges and to July last year a special and in July last year a special inquiry cleared him of the allegations. Dr Salcher, however, denied his attacks saying he had new evidence against Dr Androsch who is now once again under investi-gation in connection with tho

gation in connection with the porchase of his vitta in an exclusive Vienna saburb.

The dispute has clear political overtones. Dr Androsch was hrought to prominence under the chancellorship of Dr Kreisky and was regarded as potential beir and future leader for the party. But the two men fell party. But the two men fell out over Dr Androsch's refusal to end his involvement with a tax consultancy company while he was funnee minister. In 1980 Dr Androseb was replaced by Dr

Saicher.
Dr Androsch is deputy chairman of the Socialist Party in Florisdorf, a Vienna working class district, and has broad support on the Right of the party while Dr Salcher, a member of the party's federal executive and deputy chairman for the Tirol, draws his support from the party's Left-The row between the two men which at times appeared to larn into a public vendetion of the party of the constitution of the constit escalated recently when Br Salcher decided to take Dr to court for defamation. Dr Androsch had said that Dr Salcher was motivated by "a mad drive to finish me off." Chancellor Sinowatz has grown increasingly impatient with the affair which has near paralysed the Socialist Party's work.

Bonn backs U.S. position on SDI WEST GERMANY yesterday WEST GERMANY yesterday welcomed the resumption of U.S. Soviet arms talks in Geneva and backed President Reagan's refusal to halt research on the Star Wars space-based defence systems, Reuter reports from Munich.

Herr Manfred Timmermann, the denuty defence minister.

the deputy defence minister, said Bonn favoured the tnetusion of space defence systems in the negotiations hot the West must bear in mind that Moscow was already beavily involved in this field. involved in this field.

"As long as the military challenges posed by the Soviets are still on the locrease, we have no alternative to keeping pace," be told a conference of the sevenation Western European Union (WEU) defence pact in Muoich.

the Budget Commissioner and stond former Danish Finance Minis- The ter, launched a strong attack Ministers foll on the social and on the present member states regional funds—designed to for agreeing to cuts which mance schemes to combat unwould, ho said, make the new members substantial not conmically-depressed regions.

BUDGET cuts ordered by the EEC Council of Ministers for 1986 would reduce by bolf, or some Ecu 700m (£400m), the money available for Spain and Portugal in their first year of Community membership, the European Commission warned yesterday.

Mr Henning Christophersen, the Budget Commissioner and "gears of membership, he said. Mr Christophersen for Christophersen, the Budget of Ministers' negotiations in Luxembourg on Tuesday and Wednesday, lasting almost 19 hours, bad resulted in "more a book-keeping exercise than a real budget." He described the outcome as "quite unsatisfoctory" and "difficult to understand the Budget Commissioner and stone of the property of the said.

would, ho said, make the new members substantiol not contributors to the budget.

The exercise could result in o dangerous political backlash in Spain and Portugal, which had been led to expect a neutral modernise EEC farming

Ministers wae to prevent the European Parliament — the other arm of the EEC budgetary process—from adding too large a margin of extra spending to the Ecu 32bn draft. However, Mr Christophorsen warned that they bod cut ao much at their first reading, it would be impossible to put back enough money for Spain and Portugal,

The main cuts agreed by the The new memher states are The new memoer states are expected to contribute some Ecu 3.3bn to EEC finances. The Commission's estimales were intended to give them an equivalent amount back in the form of a budget rebate—87 per cent off their VAT contributions — and Community spending, totalling some Ecu 14bn.

quarter percentage point to 9i per cent from 9i per cent in what is generally seen as a signal to French commercial

banks to lower their base lend-

ing rates.

The latest cut in the Banque de France intervention rato reflects the Government's overall efforts to bring down domestic interest rates to help

stimulate the economy and take advantage of disinflation.

The Banque de France cent since last July, lowered its money market intervention rate yeaterday by a honks are now arrest.

advantage of disinflation.

M. Piorre Beregovoy, the trade balance shawed a slim Finance and Economy Minister, again called for o lowering of interest rates during the presentation of the Government's 1986 hudget on Wednesday. The Banque de France intervention rate had stood at 97 per sexchange markets.

Soviet oil production falls

The Budget Commissioner said the estimates for the two new members had been carefully calculated, and appeoied to the Ten to correct their figurea now.

The other most controversial aspect of the draft budget is the decision to maintain food aid spending at exactly the same level as this year, or about Ecu 507m (£290m).

This was attacked yesterday by Labour members of the European Porliament as "monstrous."

Strous.

"The food ald freeze is a cut in real terms." Mr Alf Lomas, Labour group leader, said. "The Ministers will ensure that rich farmers stay rich, even if it means cutting help to-starving people."

Although the commercial

and other reforms of the domestic financial markets hove

The lowering of the central bank intervention rate follows

good August retail price infla-tion and trade figures. The

cut into thoir margins.

Honecker ultimately responsible for planting the agent and thus for his own resignation as Chan-French bank cuts money market intervention rate

cellor.

The meeting in East Berlin illustrated how relative espionage is in a country torn between the two greet hloes. As Herr Honecker shouk hands with Herr Brandt, wishing him o "bearty welcome," the Bonn Government was reeling from the discovery that a secretary in Chancellor Helmut Kohi's office had fied to East Germany Although the commercial honks are now expected to follow the lead given by the Banque de France, they have been reluctant to lower their rates claiming that the introduction of commercial paper with ber husband. The latest incident came after

the defection to East Berlin last month of a top counter-espionage official, Herr Haus-Spionage united, Herr Haas-Joachim Tiedge.
He joined Herr Guenther Guillaume, who now lives in a villa outside East Berlin after serving six years of a 13-year sentence in the West before he

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eas released in an East-west spy exchange.

In a gesture normally re-served for heads of state, Herr served for heads of stato, Herr Honecker greeted his guest at the entrance to the Council of Stato building on Marx-Engels Platz. The two men discussed questions of European security including the deployment of new missiles in East and West. Germany over which both the SPD and East Germany have expressed their concern. Herr Brandt, whose Ostpolitik in the early 1970s led to the establishment of official relations hetween East Berlin and Bonn, is believed to have urged

as gas output rises by 10% the East German leader to per-mit more East Germans to visit

West Germany.
On his arrival on Wednesday, Herr Brandt was taken on a tour of the Museum for German History on Unier den Linden Boulevard. He was shown an issue of the Communist Party newspaper Red Flag of 1936 which contained Herr Brandt's signature under an appeal by his Socialist Workers Party and other left-wing parties against.
Hitler. On leaving the exhibit,
Herr Brandt write in the guest,
book: "German history—it does."

Greeks protest to USSR over spy arrests

By Andriana lerodiaconou in

THE GREEK Government has protested to the Soviet Union following the arrest in Athens this week of two electronic engineers and a naval officer on charges of spying for Moscow, but says it does not expect hilateral relations to be afforted by the explanate area. ommendations for EEC ministers to take decisions on maritime transportation policy by the end of the year, Mr Bos said. He said American and other foreign banks have leaned \$25n to Greek shippers. Now the big banks are lesing

d'affaires ot the Soviet Embassy in Athens on Wednesday
The government announced on the same evening that three Groeks had been arrested as suspected Soviet spies — two computer engineers employed in the private sector and a navy lieutenant commander who had been serving in the records denariment of the Navil consideration of the Navil considerations of the Nav

department of the Naval com-mand until the middle of last month The Government has not disclosed whother, as has been widely speculated, the arrests are linked to information of Soviet espionage activity in Greece, reportedly suppled by Mr Sergei Bokhan, a first secretary at the Soviet ombassy in Athens who defected to the U.S. on May 30.

U.S. on May 30.

The Pentagon is delaying the approval of an export licence for the sale of 40 F18 fighter aircraft to Greece, reportedly due to concern aroused by Mr Bokhan's revelations regarding the transfer of military technology to the Soviet Union.

A team of U.S. officials is expected in Athens later this

expected in Athens later this month to examine the issue with the Greek Government, with a view is signing an agreement to safeguard the security of military technology.

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Commission attacks budget cuts

had been led to expect a neutral modernise EEC farming. spending, finoncial auteomo to their first A key aim of the Budget Ecu 1.4bn.

Paris signs co-operation agreement with Argentina

FRANCE signed a broad loading car manufacturer in economic, industrial and finan- Argentina. cial co-operation agreement yesterday with Argentina during the second day of the French state visit of President Raul Alfonsin.

Raul Alfonsin.

The agreement was signed by the Argentine leader and M. Laurent Fahlus, the French Prime Minister, and involves a general declaration to cooperate in economic, industrial and financial fields. It will serve as a framework for more concrete agreements in economic concerning to agreements in economic concerning to agreements. mic co-operation.
A Franco-Argentine mixed

commission will work on this agreement next year. President Alfonsin that he would eupport agreement next year. President Alfonsin also held talks yesterday with M Georges Besse, the chairman of the French state Renault car group, which is the Islands.

Argentina.
Inspite of the current over-Inspite of the current over-capacity of the Argentino car market, Renault has committed liself to continue the moderni-sation of its plant at Cordoba. President Alfonsin also had discussions yestorday with a group of leading international grain traders in Paris. The Argentine leader attacked bigh interest rates and The Argentine leader attacked high interest rates and

protectionism in world trade which have had o severe impact on the indebtedness of Latin American countries.

President Mitterand told Sr Alfonsin that he would eupport all initiatives which could help bring about a negotiated solution between Argentina and

Polish economist attacks plans for steel industry

BY CHRISTOPHER BOBINSKI IN WARSAW

ONE OF Poland's hest known economists, Professor Jan in the steel industry.

Mujzel, has charged that the Steel Ministry plans to councils which came into being throughout the industry are required to approve any aimed of undermining the changes in company stotus.

Prof. Mujzel has warned that aimed of undermining the changes in company stotus.

Country's economic reform.

The ministry's plans are the "community" once establishing resisted by a handful of lished will wield enormous

BY PATRICK COCKBURN IN MOSCOW SOVIET oil production was 4 per cent down in the first eight try is of continuing concern months of the year but gas out to the Polithuro, particularly pared to the samo period in Siberia 1984, according to the weekly Durin

The position of the oil indus-

economic gazette. earlier this month, Mr Mikhoil
For the first time since the Gorbachev, the Soviet leader, beginning of 1982, the Soviet said he "was staggered to see Union published no figures for how much has been done any

Greece 'must reduce

size of merchant fleet'

During a visit to Tyumen

Turkey's economy 'impresses' IMF

BY DAVID BARCHARD IN ANKARA

monetary programme in the next possi-few months, a Central Bank official said yesterday.

He was speaking as the third terest rates and we said we would," round of talks this year between he added.

Turkey and the International Turkey is arrious to show it is side observers said the fund would depart this weekend relatively impressed by what it had some pressed by what it had seen.

The Central Bank official said the IMF had been happy with Turkey'o economic performance so far in deficit to be well down this year - 1985. However, it had raised some technical questions about the detection in the velocity of the money 1984.

TURKEY will announce a detailed supply and expressed anxiety about ible excess liquidity.

Bank to be cautious in reducing in-Turkey is anxious to show it is Monetary Fund (IMF) ended in a listening to IMF advice over such thought to be the major source of inflation, which is still running at

> In spite of opposition scepticism the Government expects the budget

vote generally confirmed the national trends seen in recent public opinion polls, although

all three major parties fell slightly below their showings in the polls.

The main reason is that the small left- and right-wing partles garnered more votes including the controversial

extreme nationalist Central

Commenting on the elec-tion results, Mr Max van den

The fund warned the Central

Transportation experts said yesterday.

"Greece must give up a little portation policy by the end of the excess capacity, given a 30 to 35 per cent world excess," Mr Corstiaan

The said American and other forces banks have loaned \$250 to

Bos, chairman of an EFC study group on maritime transportation policy, said at the end of a two day meeting here. A total of 334 Greek-owned ships,

about 10 per cent of total Greek-registered tannage, are laid up off Aftiet i port of Piraeus in the longest running crisis ever to affect sources, banks have alreated freek shipping.

The Greek fleet has come down Greek shipping companies.

ATHENS - Greece must reduce the size of its merchant fleet, the EEC's largest, because of a worldwide shipping tonnage excess, EEC must now find a level of tonnage that will be profitable. That may be 25, 28 or 30 million tons," be said. The study group will make recommendations for EEC ministers to take decisions on maritime trans-

Greek shippers.
"Now the big banks are losing money. It's difficult for shipowners

to exploit these ships because they have to make payments to the banks Mr Bos said. According to Piraeus shipping sources, banks have already lost

more than \$300m on bad loans to

Laura Raun in Amsterdam assesses opposition to Prime Minister Lubbers' fragile administration

Budget boosts Dutch coalition's flagging political fortunes

Mr Ruud Luhbers, the Prime shown that centrist Christian Minister, smilingly conceded that the softer budget was aimed at recapturing the public support lost to the opposition with their coalition partners, Labour Party since the last elec- the right-of-centre Liberals, tion, But he emphasised that the whose seat losses are projected

tarked his administration. The socialists as the largest Government spending is to be group, their strength bas ebbed marked his administration. cut by Fl 8hn and the budget from several months ago. deficit to be abrunk by a modest The Christian Democrats have of the Christian Democrats, an Fl 11bn would be only one-0.2 percentage point to 7.8 per several trumps in their cam-amalgamotion of three Protes-third of those during this cent of the national income palgn hand, not the least of 7NNf) next year, the midest which is Mr Lubbers, who virreductions of the administratually is certain to head his tion's four-year term. The welfure system, public employees will be determined at a party collection of October 25.28

THE Dutch Christion-Democrat-taberal coalition may have Democrats, summed it up in a raised its chances of continuing recent interview. "We think it raised its chances of conlinuing recent interview. "We think it in office after next year's election following presentation this week of its 1986 hudget.

It is an appealing budget that it is an appealing budget which, after three years of deep austernly programmes could well convince voters that their painful sacrifices have been worthwhile."

It is an appealing budget term in office that, in many respects, our economic position has been strengthened. This gives us a good opportunity to exclain why we took tho measures and to convince the people that it was worthwhile."

Recent interview. "We think it will be clear by the end of this term in office that, in many respects, our economic position devices that their painful sacrifices have been strengthened. This gives us a good opportunity to exclain why we took the measures and to convince the people that it was worthwhile."

Recent interview." We think it will be clear by the end of this term in office that, in many respects, our economic position devices that their painful sacrifices have been strengthened. This gives us a good opportunity to exclain why we took the measures and to convince the people that it was worthwhile."

improved health of public of nine.
finances and the economy provides safe room for relaxation compared with the last elections of the retrenchment that has in 1982. While that would keep



Rund Luhbers . . . trying a softer approach

tant and Roman Catholic parties cabinet although, the budget dethat individually or together ficht would he further cut to 5½ have been in every government per cent of NNI by 1990. Persince World War Two. The Christian Democrats now running at about 16 per could prefer to con- cent, would be hattled through

The Dutch Opposition Labour Party scored the best in the first provincial council election held in the new province of Flevoland. a polder, that was reclaimed from the former Zuyder Zee.

The Labourites won 34 per cent of the vote on Wednes-day's election to choose a 39 member provincial council, a modest gain over the 30 per cent in the last parliamentary elections in Fleveland in 1982. The Christian Democrats, the senior partners in the governing coalition, followed in second place with 25 per cent of the vote, the same share The right-of-centre Liberals, the junior coalition partners, slumped to 17 per cent, from

aistently high unemployment,

Berg, the Labour Party chair-man, said the voting showed that the May 1986 general election, would be a "neck and neck race" between his party and the coalition part-Government spending cuts of

ners, primarily the Christian Democrats. survived two censure motions in the past year centring on his role in the collapse of Rijn-Schelde-Verolme, the stateaided shipbuilder, and bis rolo in attempting to hasten a public-hearing process for two new

nuclear plants. In 1982 Mr Nijpels was

the 35-year-old parliamentary floor leader is confident of continued support from the young (under 35) volers who catapulted his party to record gains in 1982.

The Labouritea already have ruled out alliance with small efficts parties, thus leaving the Christian Democrats as the only realistic choice. But nasty memories of a 1982 coalition divorce linger, and diametrically oppo-

Labourites. Privatisation state holdings, would speeded. The most oltractive proposal

moy be that which promisea greater income differences between the lower income groups ond the highest. The upper middle-income people make on average only F129 a day more than the lowest income. The

league dubhing Mr Nijpela a med of two or more of the 22 young pup."

Despite weakness in the polls.

The Labourites already have The Labourites already havo

gains in 1982.

Whether Mr Nijpels' name again will top the Liberal ticket is less certain. When party members gaiher tomorrow, the young lawyer is expected to encounter opposition.

The liberals want lo accelerate intilatives begun this lovember. The Christian Democrats or porties well may find it politically possible to negotiate after again will top the Liberal ticket is less certain. When party Lahour adamantly opposes the siles remain an obstacle.

Lahour adamantly oppositions of the U.S. Cruise the stile of the siles of the siles of the siles of the siles of the soil, which is likely to be approved by parliament in November. The Christian Democrats or porties well may find it politically oppositions on nuclear missiles remain an obstacle.

Lahour adamantly oppositions of the U.S. Cruise approved by parliament in November. The Christian Democrats or provember, the two porties well may find it politically oppositions on nuclear missiles remain an obstacle.

Lahour adamantly opposes the siting of the U.S. Cruise approved by parliament in the soil with the soil ally possible to negotiate after the parliamentary vote and general elections. The Labour Party's posture is

based on a toned-down plat-form and the choice of Mr Joop Den Uyl to head the elecfrom ticket. The 66-year-old former Prime Minisler will lead his party for the seventh time.

The Labour programme fare system, public employees and ministry budgets again will be determined at a party come under the kinfe.

But more important for the surface to see their disposable incomes climb as much as 2; per cent because of trimmed social-security contributions and solial-security con The Labour programme generally would loosen the budget deficit between 1837 and 1990 and the wealthy would be subjected to even higher taxes.

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Nigerians reluctant to take IMF's bitter remedy

Monetary Fund (IMF) leave little doubt as to where most

some as a neo-imperialist monster, and by many more as an unsympathetic schoolmaster, most people clearly oppose the Fund and its prescription for

The Babangida Government has sent strong signals from the beginning however, that it favours the conclusion of a fund programme which would avours the conclusion of a mean programme which would upen the door to several billion nollars in new aid and commarial funds and guarantee relief from debt service payments. These now consume a crippling these now consume a crippling the Fund, and its wording proceedings of the coup. The speech piedged a new initiative on blocked negotiations with the Fund, and its wording reflected careful drafting by officials conversant with the open the door to several billion dollars in new aid and commarfrom debt service payments. These now consume a crippling 44 per cent of export earnings.

"Banker says resist IMF pressure". "Students say no to IMF loan". "Nigeria's sovereignty at risk". "Nigeria's vociferous Press in the wceks since Maj. Gen. Ibrahim Babangids took power in an August 27 coup and pledged to break 2½ years of deadlock in negotiations with the International Monetary Fund (IMF) leave little doubt as to where most "95 per cent of export earnings, the economy has been bard hit by falling oil prices and production since the early 1880s and by the bunching of repayments due on loans contracted five or six years earlier. Capital projects bave been granted five or six years earlier. Capital projects bave been slashed, and major redundancies have residuative as import-dependent industries have shut down. Government officials concede

Monetary Fund (IMF) leave industries have shut down.

Significant stand on this vexed issue.

From Lago's teeming markets to its plush executive sultes, mention of the IMF's reported dcmends for a large devaluation of the naira, the abolition of domestic petroleum subsidies, and the liberalisation of trade, rouses high passions. Viewed by some as a neo-imperialist an unsympathetic schoolmaster, and by many more as an unsympathetic schoolmaster, adjustment policies. The battle adjustment policies. The battle could have serious implications for the new regime's stability, but so far, the Government's publicity campaign on the issue appears to have barely got off the ground.

The campaign was lannched

Lagos faces a tough battle to win support for the reopening of talks with the Fund. Patti Waldmeir reports

solution to our economic predicament." Gen Babangida

The Government's side in the debate will have been streng-thened by the appointment as Finance Minister 10 days ago of former World Bank eronomist Dr Kalu Kalu, considered one of the Fund's most articulate applicates in Nineria articulate apologists in Nigeria. The creation of a high-powered committee of Nigerian businessmen, bankers academics and civil servants charged with organising public debates on the IMF and stimulating the publication of "informed" articles should also allow the Government to also allow the

The debate, has so far been dominated by opponents of the DMF who have filled the columns of Lagos's numerous news-papers with sometimes vitriolic, often highly emotional attacks on the Fund.

Government to play a more

policies and language of the symbol of independence from international financial institu- economic domination by the tions. "Austerity without structural adjustment is not the solution to our economic being treated as a "macbo

Many opponeots of a Fund programme base their resistance on one of the following four platforms, they argue that:

Devaluation of the naira (a key Fund condition), which currently trades at around 1 of its official value on the black market, coupled with cuts in domestic petroleum subsidies, would lead to a sharp rise in food prices. food prices. The pro-IMF lobby argues that

The pro-IMF lobby argues that increasing supply perhaps through building up a pipeline of essential goods to release on to the market at the time of devaluation, would dampen the inflationary impact. But bankers and some Government officials doubt that financing and logistics for such an operation could be organised for a nation of perhaps 100m people. of perhaps 100m people.

The political risk of a sbarp and unexpected rise in basic goods prices is clearly pre-occuon the Fund, and unexpected rise in basic debt would free further fident that the current campaign for reform has become a pying the Government. But the In view of the above, they

Powerful vested interests would be damaged by a devaluation, which would wipe out gains available to businessmen who import goods at the artificially depressed official rate of the naira, and sell them on the black market at a huge mark-up. It is a constituency mark-up. It is a constituency with considerable politica

clout. • The Government has insufficient resources of competent and honest policymakers to ensure that new funds attracted by the IMF stamp of approval would be used widely.
Central bank estimates put
expected new funds at between
\$150 and \$1.50n in structural adjustment loans from tha World Bank over three years, \$2.4bn in IMF lending over the period, and as much as \$1bn in new commercial bank lending

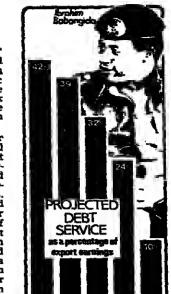
per year,
They expect between \$21.n
and \$3bn in new credits from and \$50n in new credits from
Western export agencies, which
would be expected to resume
medium-term cover for Nigeria
once an IMF agreemed bad
cleared the way for rescheduling some \$20n in arrears to
these creditors, rescheduling of \$12bn in medium- and long-term debt would free further resources from debt servicing.

new President is believed to be argue the "muddle-through" resigned to the need to devalue. argue the "muddle-through" to massive redundancies and a severe slow-down in economic activity, was nevertheless the wisest policy. Its central plank was a determination to live within Nigeria's foreign exchange means exchaoge means,

Gen Buhari can claim major success in restoring financial discipline to Government accounts which had gone baywire, bur the policy was based on two essentially shaky supportions essentially shaky supportions. on two essentially shaky sup-positions, according to bankers. They were that Nigerla could sell enough oil through barter trade to keep the wheels of industry turning, and that creditors owed several billion dollars in trade arrears would consent to what amounts to a borderline default by Lagos In issuing promised notes to cover these debts (only \$1.1bn-worth have been issued so far). have been issued so far).

By the time of the takeover, some \$2bn in counter-trade deals agreed by the old regime were in serious trouble and the slow issuance of notes to creditors, coupled with fears that many claims might never be honoured, was seriously damaging Nigeria's reputation as a reliable trading partner.

Government officials are con-



whatever the drawbacks and dangers of a programme of IMF-inspired economic reforms. the alternatives are even less palatable. Continued austerity without adjustment, they argue, might allow the country to get by without of full-scale default on its debt payments, but would leave the underlying structural imbalances of the oil-dependent economy unioushed

'Significant' oil find in Nigeria

By Richard Johns PAN OCEAN Oil Company bas announced an oil discovery 100 miles east of Lagos which, it betieves, "could be one of the most significant 1 Nigeria during the last five years."

The Geneva registered pri-

vale rompany, the operator in a joint venture with the Nigerian National Petroleum Corporation, said yearday that the second well drilled into the Asaboro structure had yielded a

total of about 7,200 barrels a day from three zones. The flow from the first had been 3,600 b/d of 5t degree API gravity crude, t,690 b/d of 45 degree from the second and .900 b/d of 53 degree from the

Dr Vittorio Falori, chairman and chief executive who is also believed to be sole owner of the company, is meeting Dr Tom David-West, Nigerian Minister of Oil and Energy, next week to discuss further investment.

The company refused all further comment about the de-velopment. Pan Ocean has a 40 per cent stake in a concession in Bendel state in Nigerio. Currently Pan Ocean is selling t50,000 b/d of Nigerian crude to Shell

Botha bid to defuse Mozambique row

BY ANTHONY ROBINSON IN JOHANNESBURG

MR PIK BOTHA, the South African Foreign Minister, flew to Komatiboord on the Mozanto Komatiboord on the Mozambiqua border yesterday to try to defuse the row over Pretoria's continuing support for Mozambican national resistence (MNR) rebels.

The border meeting took place as President Samora Machel of Mozambique met Machel of Mozambique met President Reagan and ton U.S.

South African involvement was recorded in a diary kept by a senior MNR official captured when Zimibabwean troops recently overran an MNR base.

According to the diary, Mr Minister of Foreign Affairs, recently transferred to a new post.

President Reagan and top U.S. officials in Washington. Mr Botha presented the Mozambican delegation headed

Mr Botha presented the Mozambican delegation headed by Mr Oscar Monteiro, Minister of Internal Affairs, and Mr Security, with the findings of a South African inquiry which confirmed Mozamblean allegations of continuing contacts between Preturia and the MNR and except of the six force had also made the surply degree of the same to the south African inquiry which confirmed Mozamblean allegations of continuing contacts between Preturia and the MNR and the surply degree of the same than the same to the same that the South African defence force had assistance to build an an arrest provided assistance to build an arrest provided assistance between Pretoria and the MNR. supply drops of
At the same time, however, he
laid counter charges about the
Mr Botha added

leaving Mozambican territory: "On the face of it the Under the March 1984 accord Nkomatl accord was violated, South Africa undertook to stop but it is important that Presisupporting the MNR and dent Machel did not allege that organisation to operate against

CHELLANDIA

17 6 Mg/

African contacts and support peace talks."

Boesak The evidence of continuing South African involvement was

cently transferred to a new post of Deputy Minister of Information, made three clandestine visits to the base.

laid counter charges about the Mr Botha added that the presence, forbidden under the movement of MNR personnel Nkomah accord between the was connected with diplomatic two countries of African efforts by Pretoria to re-estab-National Congress (ANC) per lish peace talks between tha sonnel in Mozambique. Re also Frelimo Government and the gave details about ANC mem-MNR which collapsed last bers allegedly arrested, after October.

Mozambique agreed to expel the South African Government ANC cadres and not allow the contravened it." Mr Botha said. General Magnus Malan, the

South Africa from Mozambican territory.

Yesterday's meeting was the sequel to talks last weekend in Maputo when President Machel their attitude had been "don't their attitude had been " Maputo when President Machel their attitude had been "don't presented Mr Botha with both us wit htechnicalities, just evidence of continuing South get the MNR to come to us for

Americans demand release of

EIGHT PROMINENT Americans including Mr Cyrus Vance, a former U.S. Secretary of State and the opening of the regular session of presidents of Harvard and Yale the National Assembly. Universities, yesterday called on the South African Government to

elease Dr Allan Boesak. Dr Boesak, a patron of the United Democratic Front (UDF) and presi-dent of the World Alliance of Reformed Churches was arrested on August 27 at a roadblock after announcing plans for a proposed march on Pollsmoor prison in sup-port of Mr Nelson Mandela, the ailed African National Congress

The march was violently broken up hy police using whips, shotguns and dogs and has been followed by three weeks of almost continuous unrest in black townships, schools and university campuses through-out the Western Cape.

The statement issued in Cape

Town by the eight Americans said that the consequences of imprison-ing Dr Boesak are "rapidly becom-ing very grave" but that his release, if followed by the release of all other political prisoners and by prompt and serious negotiations with black leaders, could help defuse the crisis.

The statement drew attention to the fact that no charges have ye been brought against Dr Boesak Meanwhile Dr Boesak's lawyers have given notice that they in tended to bring an urgent applica-tion for his release before the Cape Town supreme court next week.

These legal moves followed a suc cessful application in the Durban supreme court last week which se-cured the release of Mr Paddy Kearney, director of Diakonia, an

Association. Mr Justice Leon ruled that his detention was illegal. Lawyers for Dr Boesak will ask for his release on similar grounds that the police abused their powers in terms of Section 29 of the Internal Security Act which provides for indefinite detention without trial.

If successful the Boesak applica-tion is expected to be followed by similar actions on behalf of other

The release of Dr Boesak was also one of the demands made yesterday by over 3,000 marchers from the University of the Western Cape led by the rector, Professor Richard

van der Ross.

The march was met by police at the university gates and people were told to disperse. The crowd dispersed peacefully but thousands marched across the campus later in defiance of the ban on the march

Meanwhile allegations of ex-treme police brutality in the township of Elsies River, where two children were killed on Tuesday, are being investigated by the police and local MP's who toured the area

Two Koreans killed in tanker raid

TEHRAN - Two Korean sailors were killed when Iraqi planes set fire to their oil tanker in the northern Gulf yesterday, the Iranian newsagency irna reported.

"The sailors were killed in a fire that resulted from the attack," the

Irna identified the vessel as the "San Bung" and said it was hit west of Iran's main Kharg Island oil ex-

port terminal.
Other crew members were rescued, the agency said in a report from the Gulf port of Bushehr,

Seoul MPs appear in court

BY STEVEN B. BUTLER IN SECUL

TWO opposition party members of Chan-Jong and Mr Chough Soon— The two men have said they were the Korean National Assembly Hyung, ettempted to enter the cammerely exercising their obligation have been charged in Seoul followtion on the campus of Korea Uni-

The official indictment is expect-ed to increase tensions which have en to increase tensions which have been growing over the affair. Clashes between the ruling and op-position parties over the incident are threatening to disrupt today's

The two members, Mr Park them to violence.

Hyung ettempted to enter the cam-pus of Korea University last week as legislators to investigate stuwhen students had gathered for a dents views and activities. They large political "debate" that later have called for investigation of the turned into an anti-government Home Minister for what they say

Police prevented the two men from entering the campus. They then chanted anti-government slogans in a small group outside the university gates. Mr Park is also accused of pass students that police say incited

was illegal action on the part of the

The men ignored two summonse to appear before the prosecutor The roling party is using the afsing a "message" to the fair to discredit the opposition by attempting to link the opposition

Egypt to cut back foreign borrowing

PRESIDENT Hosni Mubarak of Egypt bas instructed government authorities to stop foreign borrow-ing except for what he described as "productive projects which are able to compensate for themselves."

Egypt's president, in a nationally televised address on Wednesday before leaving for Europe and the U.S., spoke of the budgetary con-straints under which his Government is operating and called for res-

The International Monetary Fund has estimated that Egypt's external debt stands at \$31bn. Bankers are reporting that Egypt is in arrears on e oumber of its con ments and there is concern about its financial position.

Arrears on its military debts to the U.S. are in the order of \$350m. Egypt is also believed to be in arrears on military debt payments to

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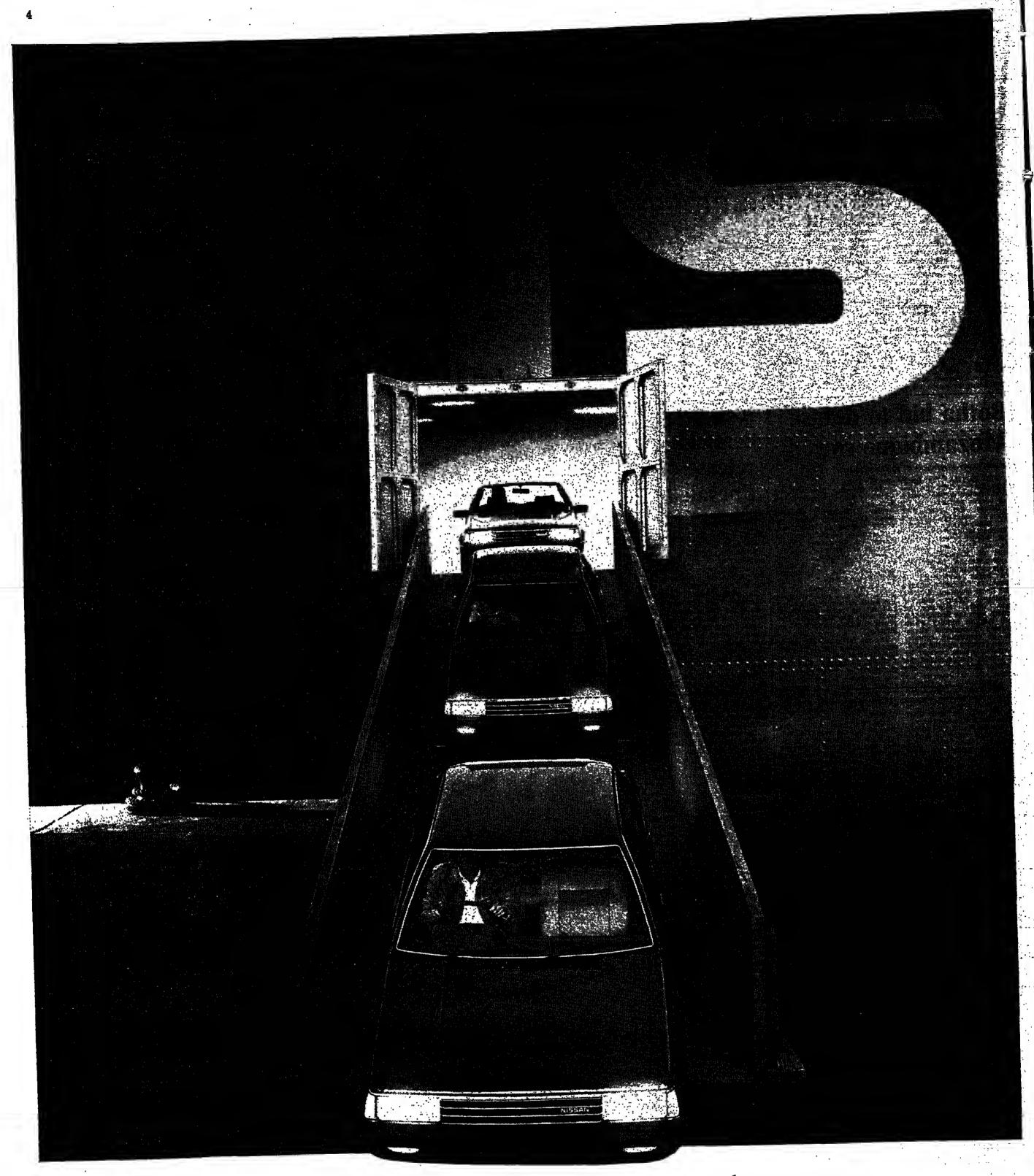
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For the last 11 years Nissan have imported more cars to Britain than anyone else.

Today, every Nissan sold in this country has to make a 30-day crossing from Japan.

The cars are built in the most advanced factories in the world, ahead of anything in Dagenham or Paris.

But although they employ the latest computer, laser and robot technology, no-one has ever been made redundant. And Nissan workers earn more than British car workers.

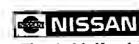
Their way of working may seem a little unusual to the British. Management and workers get together every day to see how they can make things better.

And the General Manager of the factory wears the same work clothes as everyone else.

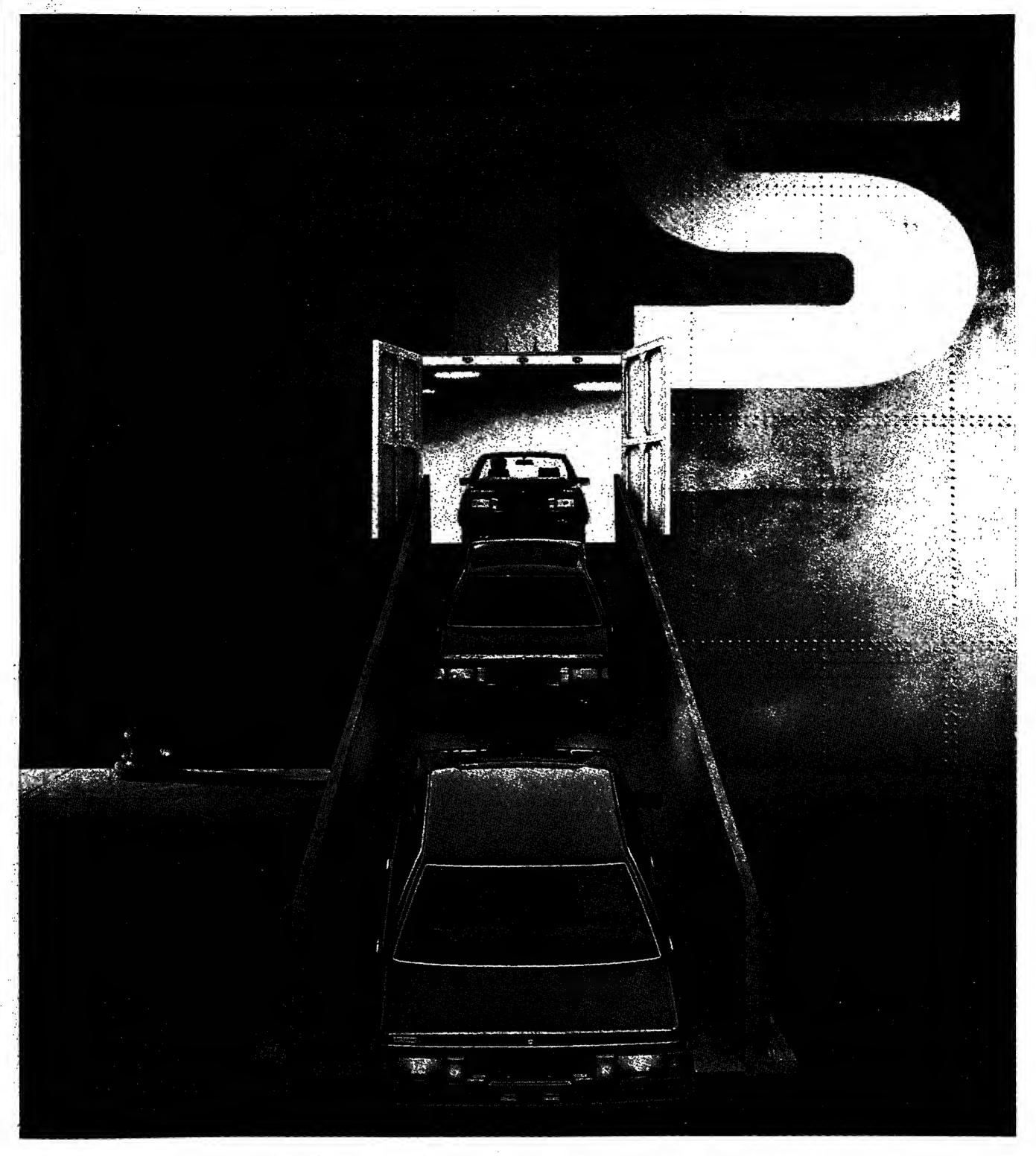
That is one reason why there has never been a strike. Another is an agreement with the Union designed to make disputes unnecessary. All this may help to

explain why the cars will be so good that every one has a 100,000 mile, three-year warranty.

At the moment a large proportion of Nissan's production in Japan is exported, which is, of course, not very good for the British economy.



They don't half work.



Within the next 11 years Nissan aim to export more cars from Britain than anyone else.

From summer, 1986, Nissans will be made in Britain, saving the 30-day crossing from Japan. The cars will be built in one of the most advanced factories in the

world, ahead of anything in Dagenham, Paris or Tokyo.

But although they will employ the latest computer, laser and robot technology, no-one need be made redundant. And Nissan workers should earn more than other British car workers.

Their way of working will be a little unusual for the British. Management and workers will get together every day to see how they can make things better. And the General Manager of the factory will wear

the same work clothes as everybody else.

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100,000 mile, three-year warranty.

In the 1990s a large proportion of Nissan's production in England should be exported, which is, of course, very good for the British economy.



Britain defends 'ban' on export of oil to Israel

THE UK yesterday defended in the European Court in Larxembourg its North Sea oil exporting policy, which effectively bans sales to Israel.

Would infringe the UK policy.

After an arbitration at which Sun was awarded nearly \$15m in damages and interest for Bulk's hreach of the destination clause, the distance of the destination clause of the destination clause.

Mr John Laws, a Government pute went on an appeal by Bulk to lawyer, denied that the policy, introduced in f979 by Mr Tony Benn, then the Energy Secretary, and maintained by succeeding governments, was invalid under Common Market law

ft breached neither the EECs 1975 EEC-Israel free trade agreecommon rules for exports nor the ment covered both imports and ex

common rules for exports nor the free trade agreement between the EEC and Israel, claimed Mr Laws. He said that the policy, which permitted North Sea crude to be exported only to EEC states, the International Energy Agency, and other countries with which in 1979 there was an "existing pattern of trade," had been a response to the potential forms and exports and included trade in crude oil.

The company, which argues that the pre-existence of the 1975 agreement invalidated the UK policy, asserted that the ban on oil exports to Israel was "likely to jeopardise the attainment of the objectives of the agreement." had been a response to the potentially serious situation created by the Iranian crisis.

disruption to oil supplies and the banned only restrictions on imports UK bad acted in the interests of its and contained no provision prohib-Community partners to protect ex- iting export restrictions.

opening up of additional patterns of export rules precluded a member trade could have adverse effects in state from adopting a policy banthe event of a future shortage.

the UK's Community partners bad objected to the policy, which, he products, including oil, from the suggested, was wholly compabble rules did not mean that new restricwith the UK's EEC obligations.

asked by the English High Court out Community approval, Bulk for a preliminary ruling on the applicability of EEC law to the policy in the context of a dispute in Ension replied that the rules permittion replied that the rules permitting the context of a dispute in Ension replied that the rules permitting the context of gland between oil companies. Its ted a country which had previously decision is not expected until next imposed restrictions on exports o

trader, Bulk Oil,

The contract included the stipulaof export from the Community
bon, "destination free, but always should not apply, for all member in line with exporting country's gov- states, to crude oil,

for Israel, which, it was claimed, mercial policy

take EEC dumping row

agreement."
The UK, backed by Sun and the

European Commission, contended There had been a risk of severe that the EEC-Israel agreement

Yesterday, Bulk argued that the

Sun and the Government went The policy bad since been maintained because, although there was currently no oil shortage, the Bulk said that the 1969 common currently no oil shortage, the

ning exports to certain non-member Mr Laws observed that nooe of countries, including Israel. A provision excluding certain

tions on the export of excluded The European court bas been products could be introduced with-

excluded products to alter those In 1931, Sun International, a restrictions and adopt new ones. Bermudan company, and Sun Oil
Trading, of the U.S., cootracted to sell North Sea crude to a Swiss oil
to clarify the 1969 rules, bendered vided that the principle of freedom

ernment policy."

Mr Jeremy Lever, QC, for Bunk, Shipment at the Sullom Voe told the court that the case raised a terminal operated by British Petro-crucial question involving the powleum was stopped when it was ers of the Community and member learned thet Bulk intended the oil states in the field of external com-

Japanese to court

By Our Brussels Staff Four Japanese electronic typewriter manufacturers have taken their struggle nave taken their struggle against the imposition of anti-dnmping duties on their pro-ducts by the EEC to the Enropean Court of Justice. Brother, Canon, Silver Seiko and Tokyo Electric

want the dulies—3a per cent for Canon, 21 per cent for the others—cancelled. Brother is claiming damages and the other companies want an interim Injunction lifting the duties until a final judgement The Court will rule on the demand for an interim in-

junction next month. Although the eventual indement is likely to be based on technical grounds related in the way the Euronean Commission established pean Commission established and assessed dumping margins, the action of the companies collides with a developing anti-Japan political tendency in the EEC.

A school of thought orguing that any weapons to hand

that any weapons to band should he used to combat the rising Jopanese trade surplus and enforce quicker liberali-sation of the Japanese domestic market is gaining ground, officials noted.

ground, officials noted.

This has found expression in the EEC Council of Minister's decision in June to impose definitive anti-dumping dulies on Japanese excavators when ottention was formally drawn to the state of commercial relations.

Since then, the Commission has a supplement an antihas announced an anti-dumping investigation into photocopiers from Japon and is considering mounting an investigation into calculator

But ot the Commission there is some caution about going too far down this road.
Trying in hurt Japanese
exports is seen as inconsistent
with the need to forge the negotiating alliances necessary to make a success of a new round of internotional trade liberalisation talks.

The way the Community establishes a balance between these two tendencies will be elearer over the next four months. Three commissioners are visiting Tokyo over Octo-ber and November, while M Jacques Delors, the Com-mision President, goes in Japan for talks in January.

India sees focus on services as a diversion

"We HAVE no objections to o new round, but the question is what to put in it," says Mr Vishwanath Pratap Sirgh. India's Finance and Commerce Minister, spetling out his country's opposition to the plans of the U.S. and other developed countries for a new round of multilateral trade negotiations to include ser. vices.

sufficiently developed to withstand open competition.

Second. its financial institutions, including banks and insurance companies, have developmental roles, such as runal areas. Foreign banks in rural areas. Foreign banks would not be prepored to take on such work.

India, however, would go along with the proposale from

"Basically we want to give a political push to pending matters. How can there be a new round if there is no credibility or commitment to the last round? There is a need for eciprocity, a spirit of give and Those remarks from one of

Those remarks from one of Indio's top politicians who not only combines the finance and commerce portfolios but is also a close confidente of Mr Rajiv Gandhi, the Prime Minister, sum up the country's stance.

They will be spelt out in Geneva on September 30 when the IIS and other developed the U.S. and other developed countries try to push their cause at a special officials meeting of the General Agreement on Tariffs ond Trade

work.

India, however, would go along with the proposals from Brazil for o "double track" exercise, providing that involved not only separate negotiations but also a totally separate secretariat and agreement.

It is insisting on the because whatever is agreed if seems

whatever is agreed, it seems that India would not allow free international trade and access nto many of its service areas. ft wants, therefore, to isolate any services agreement from Gatt's agreements on goods in order to protect its traditional industries from being victimi-"A Gatt agreement on ser-

vices could, for example infer that a foreign bank could come and buy your banks. But if all your banks are Government-owned, as ours are, and are not (Gatt).

Indio belives strongly in multiloteralism but will make it clear that it is totally opposed to services being included in a new Gatt round.

Basically, it would perfer to have no international agreement at all on services. There are two reasons for this. First it believes that its own services industries, such as electronics and computer software, are not word, as ours are, and are not owned, as ours are, and are not outlet by a counter-pressures against you on goods, say in textiles. So, it is not only thot people might try to muscle in on services but that they would feel they bave a right to take reprisals in the goods areas, "says Mr Singh. India's views are firmly based, and are not outlet by a counter-pressures against you on goods, say in textiles. So, it is not only thot people might try to muscle in on services but that they would feel they bave a right to take reprisals in the goods areas," says Mr Singh. India's views are firmly based, and are not outlet by the first try to muscle in outlet, and they would feel they bave a right to take reprisals in the goods areas," says Mr Singh.

John Elliott in New Delhi analyses India's attitude to the new round in this the final article in the Gatt series.

taught it to be distrustful of leading developed countries, especially the U.S.

Government officiols do not believe U.S. arguments that its domestic protectionist pressures would be reduced by a new Gatt round embracing services. The officials argue instead that the U.S. wants to erode the professive of developpreferential status of develop-ing countries, reduce multi-lateralism, and divert attention from current Gatt issues.

from current Gatt issues.

With an economy that ranges from wooden-wheeled bullock carts to the fatest electronics and nuclear technology, and with balf of its 730m population below the poverty line, India does not believe tt is inconsistent to maintain many of its ent to maintain many of its own protectionist policies while deploring unilateral protectionism introduced developed countries.

India's economy is being liberalised relatively quickly by Mr Rajiv Gandhi's Government. but this progress has sparked some opposition. There is now a political debate about how fast India' ought to open up its economy to foreign trade, technology and investment.

The country's seventh five-year plan for 1985-90, approved by the planning commission this week, tries to balance demands for rural development and more jobs against the need for high-technology projects.

There is also a primary economic requirement to improve the balonce of trade later in the decade when debt re-

in the decade when debt re-psyment to the International Monetary Fund climb sbarply. In addition to taking a principled stand on an issua

principled stand on an issua that divides developing and develaped countries, the Government is therefore obviously unwilling to agree to anything that would cause unnecessary political controversy at home or would harm the interpretional trade.

liberalisation for tropical pro-ducts and agriculture

mies—such as removing duties on high technology items—at the expense of doing work on areas that would belp developing countries.

Taking Gatt into the services area would, the officials argue, deflect attention from those issues which interest countries such as India.

ssues which interest countries such as India also fears the U.S. wants to steer it into an unknown, potentially dangerous area. "To begin with it was just an invitation into a dark room—we were asked to walk in first and then the lights would be turned on later," says Mr Singh.

"Now there's a list of ser-

"Now there's a list of ser-"Now there's a list of services ranging from hanking and insurance to funeral services and haircutting. Well, if its only hair cutting, OK, but areas like banking are part of our social policy, as well as being financial institutions.

"We do recognise that deve-loped countries bave a need for services arrangements because unnecessary political controversy at home or would harm its international trade.

Following the last Tokyo Gatt round, India bas been unhappy about what it regards as a lack of progress on the priority work programme agreed by a ministerlal level meeting of the contracting parties in 1982.

The programme includes trade liberalisation for tropical products and agriculture

Services arrangements because that is the way their economies bave developed. But we have creal problems and could not cope with it—though we would it in separate services with it—though we would it in separate services arrangements because that is the way their economies bave developed. But we have real problems and could not cope with it—though we would it in separate services arrangements because that is the way their economies bave developed. But we have real problems and could not cope with it—though we would it in separate services arrangements because that is the way their economies bave developed. But we have real problems and could not cope with it—though we would it in separate services arrangements because that is the way their economies bave developed. But we have real problems and could not cope with it—though we would it in separate services arrangements because that is the way their economies bave developed. But we have real problems and could not cope with it—though we would it in separate services arrangements because that is the way their economies bave developed. But we have real problems and could not cope with it—though we would it in separate services arrangements and could not cope with it—though we would it in separate services arrangements are some account of the work of the wo

Indian officials complain that developed countries are adept at concentrating Gatt on matters that belp their economics are large to the precious articles in the developed countries are adept series appeared on July 2, 12, at concentrating Gatt on 18, 24, August 1, 9, 14, 23 September 3 and 13.

Aero-engine group seeks 65% of medium-haul orders

THE five-nation aircraft engine grouping. International Aero Engines (fAE), led by Pratt & Whitney of the U.S. and Rolls-Royce of Britain, hopes to win 6ā per cent of the medium-thrust market to equip short and medium-haul airliners from the short and medium-haul airliners from the end of the end of the century. up to the end of the century.

Mr Michael Keen, executive vice president of the consortium, which was set up formally at the end of 1984 to produce the V2500 englae, said orders up to now for the engine lotalled \$1,3bn.

A total of 250 engines iocluding replacements has been sold up to now to equip the new narrow body A 320 Airbus airliner due to go into service in 1988-89. The IAE consortium-which

IAE believes tolal expected

sales between 1989 and 2004 of 120- to 180-seal oirliners make available an overall market of 7,000 engines in the 18,000 to 30,000 lb class.

The engine, which is due to be produced in its first prototype form in November, has cost about \$1bn to \$1.5bn Claimed to be considerably more fuel efficient than rival

Bechtel cuts China staff as project delayed

By David Dodwell in Hong Kong BECHTEL, the U.S. engineering group, has had to trim its expatriate staff following indefinite postponement of contracts in mining and rall construction,

ft marks o setback for the U.S. group, which in August last year set up a joint venture company, China America International Engineering in collaboration with China's Ministry of Coal Industries, to provide engineering consultancy services in China.

The coal mine, in Zhungheer in Mongolla, was expected to produce 35m tons of coal a year. Bechtel had completed a feasius airliner due to go into engines—the V2500 is seen by ce la 1988-89.

e IAE consortium—which includes Japan Aero breaking on to the U.S. merket. China's Pacific coast. hility study no the mine, and had been preparing plans for a

UK-France flights likely to increase

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

services between Britain and ish Caledonian (from Gatwick), and France is expected to result from a Air UK (from Stansted). UK-French air services agreement. Under the new agreement, the reached this week, although fares British airlines can collectively of will not change for the time being. fer up to 55 per cent of the total.

The agreement, effective from number of seats on offer. If Air next summer, will permit any UK France wants more, the overall to-

in the other's country. On some that desire, but with the UK airroutes, such as London-Paris, pres- lines collectively still offering 55 per ent limits on the number of seats cent. each side can offer will be raised. From next summer, Air France Under existing arrangements, ef- will be able to raise the number of

on the London Paris route. tion between three airlines - Brit- Gatwick.

A BIG increase in the number of air ish Airways (from Heathrow), Britor French airline to fly to any point tal of seats will be raised to meet

fective since 1953, each country has daily flights it makes between Lon-been able to offer up to 50 per cent don and Paris from eight to nine. of the agreed total of seats available British Airways will introduce bigger aircraft, to raise the number of This has meant that Air France seats it offers, without necessarily has been able to enjoy its full 50 per increasing the number of flights. cent of the London-Paris market, British Caledonian will increase its but the UK has had to split its ra- daily flights from six to seven from

AMERICAN NEWS

No decision yet on radio deal, says Weinberger

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

two rival British and French communications battlefield systems on grounds of cost and Weinberger, the Defe Secretary, said yesterday.

Mr Weinberger told a news conference that no final decision had been taken on the award of the \$4.3bn (£3.2bn) contract for the U.S. Army, the higgest-ever to go to a foreign bidder. The two bids were still being evaluated in an independent cost sludy, as required by normal contract procedures, he said.

U.S. personal

edge ahead

By Nancy Dunne in Washington

U.S. PERSONAL income grew

by a sloggish 0.3 per cent in August, but that did not slow personal consumption which jumped 1.2 per cent, the U.S.

Commerce Department said

As o result, the U.S. savings rate in August fell to 2.8 per

cent of disposable income, the lowest since monthly sovings

rates were first recorded in 1959.

Personal income increased by \$9.2bn (£6.8bn) in August from

July to a seasonally adjusted

onnial rate of £3,000hn. Personal outtays rose hy \$32.3bn to \$2,600bn. For the first balf

of the year, income rose at an

annual rate of 4.1 per cent, less than half the improvement of

year. Analysts said much of the

consumer spending resulted from the boost to automobile purchases given by clearance-sale financing rates for 1985

While the Reagan Administra-

While the Reagan Administra-tion is bound to interpret the figures as the beginning of a consumer-led growth in the second half, other analysts tioned the durability of buying spree, while personal income growth remained weak.

Private wages and salaries recorded healthy gains in August. Factory pay was up at an annual rate of \$3.6bn, after declining in July.

incomes

effectiveness, not political o recent visit to the Pentagon. considerations, Mr Caspar There is a widespread belief Weinberger, the Defence in Washington, however, that

THE U.S. will choose between for Plessey's Ptarmigan system, Anzus alliance, which is being offered in a consortlum with the Rockwell U.S. had absolutely no intention International of the U.S., during of chenging its policy of refusthe French Rita system, offered jointly by Thomson CSF and the GTE of the U.S. has the edge.

Mr Weinberger pointed out that Test and barred its ports to a

Congress unlikely to pass

Reagan tax plan this year

crats in the Senate on the Senate of S

Hostages face death threat

both systems would have 70 per cent U.S. components. Turning to the U.S.'s ruffled

BY STEWART FLEMING IN WASHINGTON

and the House of Representa-tives that they doubt whether a tax reform Bill con pass the Congress this year.

He insisted, however, that the U.S. navy ships carried nuclear weapsons—the issue at the Zealand barred its ports to a

President Reagan, in an effort

to head off protectionist legis-lation in Congress and boost

prospects for tax reform, is

U.S. destroyer. Meanwhile, CBS News rerelations with New Zealand, Mr ported that Mr Eduard Shevard-Weinherger said that he hoped nadze, the Soviet Foreign Mini-the two countries could return ster, would bring "new procontract procedures, he said.

Mr Weinberger acknowledged which U.S. warships called a breaking the two contract procedures, he said.

Mr Weinberger acknowledged which U.S. warships called a trus control deadlock "when that Mrs Margaret Thalcher, the British Prime Minister, had made o strong personal pitch ments worked together in the ster, would freur new procedures, he said.

The two countries could return ster, would firing "new procedures, he said.

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The two countries could return ster, would firing "new procedures, he said to previous arrangements under possals aimed at breaking the attributes arms control deadlock "when he visits Washington for talks with President Ronald Reagon at the procedure at t

Bolivia declares state of siege

By Hugh O'Shaughnessy
PRESIDENT Victor Paz Estenssoro of Bollvia yesterday
declared a state of siege and
ordered the arrest of thousands of trade unionists as troops and armoured vehicles appeared on the streets of La Paz.

The move, which had been expected for more than a week. is an attempt to break the general strike called by the COB

trade union confederation al the beginning of the month.

The COB has been protesting against the austerity measures decreed by the newly installed last month in an effort to conthe country's hyperinflation.

The government froze public sector wage till the end of the year, decreed a free exchange rate, quadrupled the official price of bread and increased the price of petrol and domestic gas sevenfold and twentyfold respectively.

Sr Fernando Bartelemy, the interlor minister, announced that a six-hour curfew would be in force this morning. Under a state of siege the government PRESIDENT Ronald Reagan's and Means Committee vester-bopes of a speedy passage for day approved the legislation his tax reform plans have dimmed following warnings textile imports. from leaders of both the Senate President Reagan, in an effort a state of stege the government is empowered to banish opponeats, and call up army reserves. The government has nevertheless pledged it will bring detainees before the courts within 48 hours.

Among the trade unionists arressed is Sr Juan Lechin, president of the COB.

General charged with murder

Speaker Thomas (Tip) O'Neill and Senate majority leoder Robert Dole, come os Republicans in the Senate ond Democrats in the House are drafting trade reform legislation which is being given o higher priority A former top Brazilian army officer. General Newton Cruz, has been charged with murder in a celebrated case involving Underlining the strong protectionist pressures building up on Capitol Hill the House Ways journalist Andrew Whites writes from Rio de Janeiro. The charge was brought by

an investigating magistrate and not by the Government.

Sr Alexandre von Baumgarten, who had close links with the national intelligance service, died with his wife and THE REV Benjamin Weir said yesterday that the Lebanese terrorists who held him captive for 16 months are ready to kidnap other Americans and to execute their remoining six U.S. hostages if 17 Arab prisoners in Ruwait are not released. AP reports from Washington.

"They have released me as o sign of their good intentions." Rev Weir told a newa confer
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Cocaine has undermined an American sport, Paul Taylor reports

Baseball heroes fall from grace

go, baseball players rank up there with astronauts, pop singers and, arguably, tax

Their names, like that of Pete Rose, of Cincinatti major league player who last week smashed 57-year-old record by becoming the biggest bitter of all time, are spoken with reverence in bars. Their faces adorn breakfast cereal packages and beam out on posters from every self-respecting male — and some female — junior high school student's bedroom wall.

But in the federal courlhouse in Pittsburgh another story is being told—one which arguably leaves major baseball's image in disrepair and has already touched the reputations of scores of baseball stars.

Philodelphia chef wbo once catered clubhouse meals for the Philadelphia Phillies. Mr Curtis Strong is charged with 16 counts of drug distribution between 1980 and 1984. His clients were some of baseball's best known players, men like across the country. Keith Hernandez of the New York Mets, Dale Berra of the Yankees and Dave Parker of the Cincinatti Reds, who have taken contains the con

indicted last May on charges ball's commissioner, white de-that they sold cocaine to base-clining to estimate how many ball players in Pittsburgh players use narcotics, has said Three have already pleaded he considers drug use the guilty to various charges. As number one problem facing the the trial proceeds every day brings new "star" witnesses, men dressed in expensive auits commanding six or seven figure salaries, who tell of their drug abuse and deliveries of the drug wrapped up in "girlie" magazines or sent to their bomes by

express mail. In the process they implicate collargues and paint a picture of a professional sport riddled with cocaine sniffers in the early

on trial is a 39-year-old burgh trial may just be the tip of the proverbial iceberg. In fact, some believe the burgh trial may just be the tip of the proverbial iceberg. In the last few years players representing nearly all the 26 major league teams have been named in connection with cocaine use in criminal trials

cocoine use in return for the an all-star team in both major and some criticism from depromise of immunity from leagues with players who use fence lawyers and others that prosecution.

Mr Peter Ueberroth, base-indicted last May on charges that they sold cocaine to base-clining to estimate how many their status.

sport and has warned that it could lead to its corruption by gamblers and drug dealers.
Some experts, like Dr Donald
Ottenburgh, a member of-baseball's joint review on drug
abuse, believe that the drug problem is easing. But without necessary in order to pe any measure of the overall players to testify at all. problem, a programme of manproblem, a programme of mandatory random urine tests, already in use in the minor scandal will just "blow away" leagues and for baseball personnel, might help quantify the will be short. But others are

players, opposes the move and has effectively stalled it.

What is clear is in major league baseball, like Hollywood and Wall Street which have also

Mr Adam Renfroe, Mr Strong'e-street-smart 35-year-old attorney, has charged that wit-

nesses were granted immunity to shift attention from the players' illegal use and distri-bution of cocaine. U.S. District Attorney J. Alan Johnson, Mr Strong's prosecutor, counters that the pledge of immunity was necessary in order to persuade

problem and leod to more not so sure. So far the names effective rehabilitation and of 30 players have emerged in treotment. But the union the trial including some of base-representing major league ball's best men who have admitted using drugs while they were helping their teams win titles.

15

..;

In his opening remarks to the jury, Mr James Ross, the assistant U.S. attorney, insisted that "major league baseball is not on trial here." It may not be, but as Commissioner Ueberroth cocaine habit. . . but as Commissioner Ueberroth The Pittsburgh trial bas al- knows, the sport's reputation is.

Argentina lauds Kinnock stance

BY JIMMY BURNS IN BUENOS AIRES

THE ARGENTINE Covernment is heralding Wednesday's Paris meeting between President Raul Alfoosin and Mr Neil Kinnock, the British Opposition leader, as a significant diplo-matic coup in the run up to the United Nations General Assembly debate on the Falk-lands issue expected before Christmas.

Margaret Thatcher's hardline

A joint communique issued by the two feaders in Paris called for the restorotion of full diplomatic and commercial Argentine political corres-pondents reported yesterday relations and a resumption of that Mr Kinnock's agreement, negotiations "on oll aspects of

to meet President Alfonsin on the basis of a broad ogenda Including sovereignty was confermotion that a significant sector of British public opinion dissented with Prime Minister Margaret Theycher's hardline.

The greater emphasis given in the communique to safeguarding the way of life of the Faiklands inhabitants is being singled out here as evidence that constructiveness and fiexi

Buenos Aires to clear interest arrears

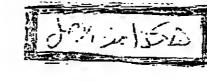
Its announcement brings to an end the syndication process of the \$4.2bn credit which was launched as part of a major debt rescheduling exercisa last December. A few subscriptions to the credit are still flowing in with the result that It could end up marginally oversub-

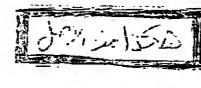
Mexico bans imports of luxury goods

THE Mexican Government yes-terday prohibited the import of 311 luxury items in another attempt to conserve badly needed foreign exchange, AP reports from Mexico City. The ban on luxury goods, among them wines, perfumes, china and electrical appliances,

has come just weeks after the Government bad eliminated some commercial barriers to foreign products. The Commerce Department said that "exceptions will be authorised only when the merchandise that is intended to be introduced to the country is not produced in Mexico and proves strictly necessary to carry our

strictly necessary to carry out industrial activities, investigation and education or is required to be used in programmes for exports or the tourism sector." Included on the list are several types of cheese, Christmas trees, nuts, prunes, coffee, prepared meats, caviar, sweets, olives and dried fruits.





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Cold water

poured on

islanders'

oil hopes

By Mark Meredith In Stomoway

YOU COULD feel the temperature

in the room drop. Leading mem-bers of the Western Isles commu-

nity had gathered to hear how

the development of offshore of

might hless their economy.

The Scots are still understandably

intoxicated by the prospect of on-

shore prosperity akin to that of Aberdeen which would be gen-

erated by possibile oil finds to

the west and north west.

The solering up was dispensed by the oil companies and even the Department of Energy, which told the islanders that they

should not count on oil being dis-covered in their patch of the North Atlantic. Even if it was

found, it was likely to be develop-

ed from the existing service bases on the mainland

great deal seemed at stake in

Stornoway yesterday it has e

fragile economy, based largely on Harris tweed, fish, crofting, and some offshore fabrication work.

much they should build up their

The message from the oilmen,

while pouring cold water on some of these hopes, did show the lim-ited impact which some of the re-

maining discoveries of oil might have on the land-based economy.

The Rockall trough lies to the north west of the Isle of Lewis. It and the west Shetland basin to the

porth remain the two areas

where oil in big quantities, akin to that of the Brent field in the

North See, might still be found. Twelve exploration licences have

been granted in Rockall but so

far only one seismic well has been drilled.

ain are in an entirely different

league from those which faced

the considerable achievements

already made in the North Sea.

The obstacles to any oil and gas developments on this side of Brit-

New international federation of miners provokes union storm

BY IVO DAWNAY AND JOHN LLOYD

MR ARTHUR SCARGILL, president of the National Union of Mineworkers (NUM) will this weekend see the creation of a new internafor which he has striven since taking national office in 1982.

Letters from Mr Scargill and M Augustin Dufresne, general secre-tary of the miners' section of the Confédération Générale du Travail the main, communist-led French unions from all over the world to attend an "historic" conference in Paris, beginning tomorrow. It is aimed at founding the International Federation of Mine and Energy Workers (IFMEW).

The move is provoking a storm in nternational trade union circles. The British NUM is the only major Western union to affiliate to what will be e group numerically domi-nated by mining unions from communist countries, with some Third World unions also joining. Officials of the International Con-

federation of Free Trade Unions (ICFTU), the Western countries' international union body, say that the Paris congress this weekend will allow the miners' section of the World Federation of Trade Unions FTU) – the ICFTUs rival in comever, officials of the Mineworkers as extremental initial countries – to move from its International Federation – the ICF-dangerous. (WFTU) - the ICFTU's rival in com-



Arthur Scargill: called

foothold in Paris.

The IFMEW is likely to seek affiliation from the South African National Union of Mineworkers - pres-tigious prize for either side. How-

TU mineworkers' affiliate - believe that their links with the South African NUM will keep it in the western

Nevertheless, there is clear disquiet that the new federation could become a permanent feature on the world's political landscape. According to ICFTU officials. Mr Scargill's visit to Moscow earlier details with Mr Mikhail Srebny, the Soviet miner's union chairman. The WFTU'a miners' international administrative committee will meet in Paris at the same time as the IF-MEW, and is expected to join en

In an effort to quash any attempt by the new organisation to estab-lish its headquarters in Paris, Force Onvrière (FO), the centrist union confederation, has written to Presi-dent François Mitterrand calling or the move to be blocked.

M Andre Bergeron, the FO's sec-retary general, reminds the Presi-dent that the WFTU was expelled in 1950 by government decree. He says: The implementing by this sleight of hand of an office totally dominated by the WFTU in Paris would indicate an abandonment of this decree, which we would regard as extremely regrettable and

Mill for textile jobs blackspot

ROCHDALE, the Lancashire textile town where more than a sixth of the workforce is unemployed, is to be the centre of e £10m investment in a spinning and weaving mill which is likely to create 400 jobs. Manchester-based Wills Fabrics,

the privately owned company be-hind the venture, expects to employ between 200 and 250 people at the mill by next spring.

The figure is expected to reach 300 by mid-1986, with more jobs likely to come at other plants owned by the company in the

The investment will mean e major increase in the payroll of Wills Fabrics, which employs about 700 people at various sites in the northwest of England. The company has traditionally kept a low profile since being founded by its present chairman, Mr Arnold Wills, in the late 1940s. He believes that the Rochdale mill may be the first integrated spinning to weaving mill to be opened in Britain since 1945.

. Rochdale has one of the highest unemployment rates in the north-west - 16.2 per cent of the workforce - according to the Manpower Services Commission's regional in-

A higher proportion of companies failed in the textile, clothing and footwear industries sector during the first half of this year than in any other industry sector, according to a survey carried out by Dun & Bradstreet, the business information organisation, nes McDonald writes.

There were 682 company liquidations and bankruptcies in the textile, clothing and footwear industry during the six-month peri-

textile, clothing and lootwear industry during the six-month period — 4 per cent of the 17,306 businesses in the industry (based on value-added tax registrations for the industry at end-June).

The electrical engineering industry recorded the second highest proportional failure rate, with 283 failures over the same period — 2.8 per cent of the 10,038 businesses VAT-registered at end-June.

The highest actual number of business failures, 1,733 liquidations and hankruptcies, was recorded in the enastruction sector, but that represented less than 0.8 per cent of the 229,637 registered businesses in the industry.

hasinesses in the industry.

The failure rate among businesses in the service industry sectors—hanking and finance, professional and scientific, and retail—was 0.5 per cent, which matched the overall national business fai-

Last month, 10,679 people were time is right to make a stable textile registered unemployed in the industry in this country." town's travel-to-work area, a rate of

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available in this area.

17.5 per cent, compared with a rate of 16.8 per cent in Angust 1964.

Mr Wills said yesterday that he hoped the new mill would compete seas had risen rapidly to record levstrongly with imported textile prod-els in the first half of this year, in ucts, but he declined to add details spite of the rise in sterling which it of the new investment. He said: "We feel that with new technology the try's prospects.

Spending on process plant 'up by 17%'

By lan Rodger

INVESTMENT in new equipment in oil refineries, che plants and the other major process industries in Britain is expected to surge by 17 per cent this year to £23hn, the highest level since 1981 in real terms, according to the latest annual forecasts from the Process Plant Economic Development Committee

Despite statistical indications that this year's spending may represent a peak, the EDC is confident that the rising trend will continue next year. It also reports that UK process plant con-tractors are more optimistic than for many years. Only one of 23 companies responding to a re-cent EDC survey believed that the inture trend of bardware orders was downwards.

Company executives said that buyers appeared to be taking a more invourable view of UK sup-pliers. Other helpful factors included the lower tax burden on offshore oil industry developers since 1983, an increase in over-seas orders and, the EDC reports, an element of UK Government

The offshore oil development sector continues to lead the in-crease in demand for process plant, with an estimated £711m m spending this year, up 41 per cent from 1984. Plant spending eent from 1864. Fram spenning by the chemical industry will rise 30 per cent, to £821m, while that by the oil relining sector will reach £159m compared with £106m last year.

At the other end of the scale, the electricity generation indus-try's capital spending appears set to decline for some time, baving peaked at £1.67bm in 1983. The sector's total spending this year will fall 21 per cent to £766m and its spending on process plant will drop 25 per cent to £365m.

Capital spending is also depressed in the gas and steel in-dustries. Total spending by the gas industry in 1984 of £265 m was 5 per cent lower than anticipated, in real terms, and during the 1985-1988 period it is expected to he 25 per cent lower than fore-cent last year.

The EDC has also published a andy of the manufacturing perdustry, pointing out that even though a buyers' market pre-vals, elients could obtain better value on many projects by not

Liberals turn less Green and more expansionist

BY PETER RIDDELL, POLITICAL EDITOR

THE LIBERAL PARTY yesterday turned its back on a no-growth "Green" approach and endorsed an expansionist strategy, in line with the policy approved last week by the Social Democrat annual confer-

The Liberal assembly in Dundee. Scotland, yesterday approved a mo-tion calling for additional public intment, expenditure on training and incomes strategy linked with profit-sharing and a more equal distribution of wealth and incomes.

Mr David Steel, the Liberal lead-

er, will take up some of these themes in his major assembly speech this afternoon. He intends to discuss the practial application of industrial participation and profit-sharing based on the work of Professor Martin Weizman of the Massachusetts Institute of Technology. He will talk about an "enabling economy" in which the government works with the private sector to encourage enterprise, participation

During yesterday's debate Mr David Penhaligon, the party's economics spokesman, stressed the priority to be given to cutting unemloyment and the need for a "sensihie approach to pay settlements and pay restraint.

He also urged full British membership of the European Monetary

The motion, and e number of Liberal MPs who spoke in the debate, argued that the strategy should be discussed with business, the trade unions and other interested parties, both before and after a general elec-

Mr Malcoim Bruce, MP, who came mainly from those urging chaired the assembly working party - which draw up the resolution, said there was a fundamental difference between the economic approach which an SDP/Liberal Alliance government would adopt and the apreach of the Labour and Conservative parties.

"We will seek to develop a strategy by co-operation and consultation with all major components of our

The Liberal assembly at Dundee

unions, financial institutions, local authorities and others."

He added: "We alone can do that first because we want to, and second because we alone have not een bought by any of the sectional interests of our society."

Mr Bruce said that as a trading nation Britain was part of the world economy and must seek stable exchange rates. That's why we must join the European Monetary System and seek to promote some form of tripod agreement based on European currencies, the U.S. dollar and

During the debate, which was much less specific about policy than the SPD debate last week, there were several references to "when

greater commitment to tackling unmployment and structural changes to boost employment.

This approach represents a clear shift from the Liberal debates of the late 1970s when the party moved towards a "Green" approach ejecting economic growth. There is still, however, an emphasis on conservation

The only qualification to the general sense of unity and support for Mr Steel came in an early morning debate attended by only 100 delegates, notably Young Liberals, which approved a change in the method of holding a leadership

In future, an election will happe automatically two years into the life of a parliament if there are two or a paritament if there are two candidates backed by at least five Liberal MPs (against the previous requirement that 50 constituency parties had to support a challenge).

The change will make little difference in practice since an unpopu-lar leader would always be chal-lenged. Mr Steel said he was relaxed about the move.

Mr Cyril Smith, the Liberal MP for Rochdale, and an absence from the last two assemblies, made his usual intervention in absentia in a BBC television interview.

He said that Dundee was a "daft place" to have an assembly and be dismissed the idea that the Alliance we are in government," reflecting could negotiate a coalition govern-the self-confidence of the assembly. ment with the present leaders of

Apartheid sanctions demanded

AN URGENT CALL for the British Government to impose comprehensive sanctions against the South African Government was made at the Liberal assembly by Mr Alan Beith, the party's foreign affairs spokes-

He said the alternative was "the bloodbath which we have long

Mr Beith was one of several leading Liberals, including Mr Alan Watson, the outgoing president of the party, who condemned the Government's refusal to take sanctions

the KEC countries.

sanctions against South Africa. A motion introduced by Mr Beith strengthened Liberal criticism of the UK Government's policy on sanctions against South Africa.

Only two delegates spoke against the motion, their main argument. being that links with South Africa could infinence and educate South

Mr Beith said rapid and dramatic change had overtaken South Africa in the last two months. The economy of South Africa had suddenly against South Africa. These in become immensely more vulner-cluded what Mr Beith called "the shie than it had ever been before...

minimal, almost pathetic collection. There are good reasons, said of measures agreed by the rest of Mr Belth, to be scentical about the effectiveness of long-term same Delegates strongly supported a tions, however strong their moral motion which called for the release justification. But I am in no doubt from prison of Mr Nelson Mandela at all that immediate international

er, and for economic and cultural both the South African Government and the business com

He warned: "Britain is throwing away the best opportunity in recent years to take effective action, co-ornated on an international scale."

Mr Alan Watson, a South Africanborn delegate, in arguing that sanc-tions could be effective said Mr P.W. Botha would not have announced recent changes if the rand had not crumbled beneath him and the foundation of the South African economy had not been shaken."

He added: "The purpose of sanctions is not to punish whites in Sauth Africa but to prevent Armi-

Mr Dai Livenage said sanctions could hurt black South Africans more than whites. But in the long term they were the only way to

lantic increase dramatically to 600m or more, compared with the 90m - 120m average of most North Sea oilfields. Atrocious weather closes in about

now, making it impossible for any drilling activity to resume before next March.

BPs plans involve drilling in the sloping sides of the Rockall trough which eventually reaches a depth of 1,800m. Huge slips of sediment will make drilling not only difficult but hazardous.

"We would be irresponsible to raise hopes too high," Mr Nick De ath, BP's chief geologist for north-west Europe, told the conference. Oilmen were lucky with about one out of 20 or 25 wells drilled, he warned, adding that it took a fur-

ther 10 years from discovery to production in normal oilfields. e, however, are not normal fields, and the oil industry is only starting to find ways of discover-ing and handling the oil and gas

they may produce. There was further bad news from Mr James Hay, divisional man-ager for Britoil in Aberdeen. He said that, even if oil was discovered, it was likely to be handled from the existing land bases. Long-range helicopters made it possible to fly to any ex-

ploration or production ries off the Western Isles from Aberdeen. Supply ships would probably also use their bases in north-east Scotland, Mr Hay said.

What hope remained came from nters, who pointed out there might be a future in supply bases in the Western Isles which were able to show that they could

Others pointed out that the oil companies had got it all wrong previously about what they might

There was also a warning from the Shetland Islands about how, if oil was discovered, they would not only have to plan for its develop-ment but also for its eventual

This has been the experience of Shetland with the building of the Sullom Voe oil terminal which, once constructed, does not require large numbers of personnel to operate.

The Western Isles is highly protective of its culture. Here Gealic is spoken in the street, and the Free Presbyterian Church frowns on any economic activity on Sundays.
"It would be a shame," an island

councillor said, "if all these natural resources are used and by pass the Western Isles entirely. But, most important, it is a pity for the young people, who need

CBI/FT DISTRIBUTIVE TRADES SURVEY

Strong retail sales boost jobs

CONFIDENCE that the spending boom in the shops is continuing into the autumn has brought a further boost to employment in Britain's shops and warehouses, although a rising proportion of the goods sold are imports.

These are the main conclusions of the Confederation of British Industry/Financial Times monthly survey of distributive trades published yesterday. Commenting on the findings, Mr John Salisse, chairman of the CBI's

distributive trades panel, said he was particularly encouraged by the fact that many of the new jobs were full-time as well as part time. The new jobs are being created largely by the big stores and supermarkets and the major wholesalers,

with new developments obviously making a major contribution," Mr Salisse said. "The increases in employment reported today are the biggest since the survey was started in 1983."

The survey, which has accurately

tracked the consumer spending

spree of the last two years, suggests that after record sales last month retailers can expect a further rise in



since July 1984. This month a bal- part-time. If that continued, it ance of 67 per cent is anticipating would reverse the trend of the past improved turnover.

The percentage balance represents the proportion of respondents and replace them with part-timers, reporting or expecting an increase There was less encouraging news reporting or expecting an increase There was less encouraging news in turnover, minus those indicating for the economy from the responses

show that that the buoyancy in sales is still being translated into higher employment in the shops.

For August a balance of 34 per cent of the 294 respondents said that they were employing more peoretailers can expect a turner to that they were employing more peo-business during September.

The percentage balance of retail-ers reporting higher sales in August figure of 25 per cent in May.

There are also signs that full-time was the highest since the survey hegan.

few years when retailers have tended to shed full-time workers

to the questions on inflation and im-The special quarterly questions ports.

included in this month's survey

The pace of growth in the propor-

lier was 63 per cent, the largest employment is growing faster than began.

The 197 wholesalers covered by the survey are also confident about the outlook. Although sales volume in August rose by slightly less than expected, a balance of 55 per cent expects better turnover this month The balance of 36 per cent expecting an improvement in their overall

siness situation in the next three months was the largest since early 1984, while the same balance of 36 per cent reported larger workforces than in the same period last year. As in the retail sector, more of the new jobs are full-time than part-time, a trend which the who-

salers expect to continue over coming months. Selling prices have continued to rise quite strongly, with a balance of 69 per cent reporting increases in

August compared to a year earlier. About the same percentage expects further price rises over coming The 61 motor traders who responded to the survey said that sales in August were better than had been expected in July. A bal-ance of 60 per cent reported higher

turnover than in August 1984.
CBIFT survey of the distributive trades; from Economics Department, Confederation of British Industry, Centre Point, 103 New Oxford St, London WCIA 1DU

Atomic authority prepares for role change

DAVID FISHLOCK, SCIENCE EDITOR

including the Government - on a dominant activity. longer subsidised by a grant from thority's annual report yesterday,

For the authority, the change is clear research work to grow by not cosmetic but "a very big change more than a few per cent from its indeed," says Mr Arnold Allen, its present level of about 13 per cent. chairman, who has been a board Last year the authority earned member since 1971 and will retire 530.3m from non-nuclear research

and Stanford Research Institute in services last year. The balance is able to finance a good proportion of competitive.

THE UK Atomic Energy Authority the US. and TNO in the Netherwill be operating as a trading fund bands. It has a staff of 14,000.

It is likely to retain its present nouncing last February that the auname, which is internationally thority would become a trading

April 1986. name, which is internationally thority would become a trading This means that it will be paid for known and reflects the fact that nu-fund, was to eliminate the need for work it carries out for clients - clear energy will continue to be its a grant that had been provided for the 31 years since the authority was customer-contractor basis, and no Mr Allen, who presented the au- set up.

said he did not expect its non-nu-

The change has raised complex questions in Whitehall about what should be the authority's initial capital debt, what its financial limits should be and what rate of return the Government should expect.

its investments internally. He believes it must also have enough money for speculative, high-risk re-search activities, and that the Government must accept that some of its new ventures will fail.

A difficult area of negotiation is

the cost of the underlying research base, which maintains the capability of the authority as a world-class scientific centre. This cost, £27.8m last year, has always been met by central government

and development, compared with a should be tough but should be possitive for the authority is being net spend of £230.7m on all its ble, Mr Allen said.

The authority would prefer to finance the underlying research properties and development. The authority has been promised and development body on the scale. turned into a commercial research nuclear research and development and development body, on the scale

It spent a total of £399.7m and development body, on the scale

It spent a total of £399.7m and borrowing powers by the Govern-guidelines can be drawn which will ment, but Mr Allen wants to see it keep its research services



Peter Lancaster
Tel. Geneva 311604

For further details please contact

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The Chase Partnership at work with Rank Xerax, in Landon in front of the new 10/20 capier. Shown from left to right: Michael Dunsmore, UK Electronic Banking; Mr. Garry Thomas, Director, Tax Treasury and Accounting, Rank Xerax; Mr. Vaughn Richtor, Senior Treasury Dealer, Rank Xerax; Mr. Reg Sellers, Group Treasurer, Rank Xerax; Chase's Christopher Rocker; Carol Moore, UK Electronics Division.

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The Chase Partnership

CHASE

Product Innovation Advanced Technology Service People Global Network Electronic Banking

THE MANAGEMENT PAGE

U.S. heavy engineering

How Clark Equipment gave itself a lift

there is hope for you yet.

Many U.S. manufacturers of heavy equipment, battered by low cost competition from the low cost competition from the Far East and the effects of complex than I realised when the complex than I realised wh low cost competition from the quality-competitive is more Far East and the effects of complex than I realised when the high dollar, have been I came," Rinehart says. "It retrenching and/or moving takes an extraordinary committuelly manufacturing operations ment. In many cases, it means reducing east, and the same an

Caterpillar Tractor, Ford, and many others bave all been building up operations abroad while cutting back in the U.S.
But the managers of Clark
Equipment, the Indiana-based
leading Western producer of low cost competition from the plier of construction equipment and automotive components, are just emerging from a three-year restructuring exercise, and they think those sorts of decision are unnecessary.

decision are unnecessary.

They believe things like lift trucks, wheel loaders and off highway vehicle transmissions can be made in the U.S.—and be made "world cost- and quality-competitive" there, to use the leltmotif of James Rinehart, the chairman—using only very small amounts of components imported from low cost suppliers in the Far East.

nents imported from low cost suppliers in the Far East, "When we started, we assumed that we would have to buy 60 per cen; of our components from Pacific Rim countries," says Rinehart, who joined Clark in 1981 following a long career of General Motors, "It turns out that there are "It turns out that there are many producers in the West that are as good as, or better than, the Japanese." One of them—and it has been

a source of inspiration for Rinebart—is Clark's own Melroe subsidiary, which makes the Bobcot line of mini loaders. Melroe continues to dominate the world market for these pro-ducts, with an estimated 55 per cent share, operating from fac-tories in, of all places, North

They have a scale advantage of four to one over the next competitor," Rinebart says. "But they set their cost targets in anticipation of a competitor with similar volumes. It is a

caltural thing."
It is one thing to admire a compony like Melroe that has long maintained a rigorous Into develop a strong culture in some weary old businesses, like

YES, SMOKESTACK America, Clark's lift truck company, three main manufacturing busi-there is hope for you yet. "The challerge of making a nesses. It was the world's lar-many U.S. manufacturers of Western company in traditional gest maker of fork lift trucks, when the future is so cloudy,"

Since 1981, Clark has closed six factories, written off more than \$200m in restructuring costs and bived off one of its principal businesses—construction equipment—into a joint venture with Volve of Swaden venture with Volvo of Sweden. It is also in the process of withdrawing from the car ond on-highway truck components sec-tors. The company hopes to make an operating profit this year for the first time since 1980.

Outperform

Rinehart now believes the core Clark businesses—including the venture with Volvo hove been saved and are well on the way to achieving his goal which is to have them outper-form industry competitors "and systematically to develop the capability to sustain that relativa performance level through-out the economic cycle.

"The good news," be reports, "Is that it can be done." But he also cautions, "the bad news is that it may not be enough. I would not try to convince you that we are there. We will just have to wait and see."

His main concern is whot he sees as an unfair competitive advantage the Japanese bave in the availability of low cost capital. "To be financially viable, you have to earn o return on ossets that is at least equal to the cost of capital. Japanese interest rates are half those in the U.S. so the return on assets of Jopanese manu-facturers only has to be balf of ours. We bove got to get them to open up their financial sys-

tem."
Rinehart's own approach has been, as he puts it, "to revitalise each of the businesses without any mental limitation

with turnover in 1982 of \$424m. It was a significant producer of construction equipment, making "It the large Michigan loaders as mit-well as the Bobcat products. ans Revenues from that division were \$364m. And it made \$234m worth of axles and trans-

missions, mainly for off-road Rinehart and his colleagues decided in the autumn of 1982 that these businesses, with the exception of Melroe, could no longer go on the way they had done. They did not know what needed to be done, so the first thing they did was close four factorles. "That improved cash flow dramatically and gove us the time to find out how to do it and whether we could do it." Rinebart says. He emphasises the importance of money management when restructuring.
"You have to learn not to throw money at problems. I suppose that is a peculiarly American

The Clark executives spent two years studying their busi-nesses and came to some stark

They decided that the forklift truck industry was basically a regional business. It bad been turned into an international one in the 1970s by Japanese producers who realised that they could undertain their Mosters connections. cut their Western competitors, but Clark executives do not elieve this trend will last.

However, they recognise that thet lift-truck itself is a declin-ing part of the much larger materials bandling business, and thot any manufacturer which intends to stay in the business bas to broaden its product line. The problem is that materiols handling technology is in considerable turnoil, with no clear product types emerging. For example, the automated ware-house concept of the 1970s has quickly gone out of fashion be-cause manufacturers today do not want to hold big stocks, Now the emphasis is on more flexible materials handling auto-

when the future is so cloudy," Rinehart says, "but we are going to be a part of the automation business.

By contrast, the Clark executives concluded that the con-struction equipment sector-would remain a world business. Only those who operate on a worldwide basis would have a worldwide basis would have a chance of surviving. The problem was that Clark on its own was a relative minnow in a \$20m industry. Moreover, the industry standards were very high, with Caterpillar Tractor of the U.S. showing the way on distribution Komesty of Japan distribution, Komatsu of Japan setting the pace on cost and quolity. Another criterion for survival was financial strength. Any survivor would have to be able to invest heavily in new products.

products.

"We took a very long range view of this industry, and it was impossible not to see a future for it." Rinebort says. "Societies around the world are going to have to move earth and dig for a long time. Areas where you would have expected to see huge growth have been beld up by debt problems, but that does not mean the jobs will not be done. And there is nothing on the And there is nothing on the borizon that would be a substi-

products.

tuta for our products."
So Clark decided it wanted to remain o part of this in-dustry, but that meant it had to get bigger. In 1984, it bought a competitor, Enclid, from Daimler-Benz for \$31.6m and last year it merged its entire construction equipment business with thot of Volvo, creating at a stroke the third largest supplier in the world. VMC, as the new venture is called, has more than 20 per cent of the world market in dump trucks and about 16 per

and Volvo are determined to keep it that way. "Tenneco. keep it that way. "Tenneco. duty truck transmission business first and Dresser bove ness into a coint venture with shown that you cannot put Eaton, another components losers together in this inmaker. As part of the deal, dustry." Clark and Volvo Eaton is expected to buy out expect to ottract other partners Clark's 50 per cent stake by whatsoever on how it would be done. We accepted that that could well include new owner-ship arrangements."

Clark's strategy is to be as to VME, but they are setting competitive as it can in the lift truck industry and to look caresfully for other opportunities to have been profitable in 23 of within the materials handling the last 25 years."

EQUIPMENT 1978 '80 '82 '84

Rinebart emphasises that the formation of VME is by no means a prelude to a Clark exit from the construction equipment business. "Both of us will retain 50 per cent for the long term. Neither company intends to get out of the business. There are obvious synergies between construction equipment and other operaequipment and other opera-tions of the two companies."

Synergy

The obvious synergy for Clark is with its axle and transmission division. The com-pany claims to be the world's largest supplier of transmis-sions for off-highway trucks and industrial vehicles. It bas a much smaller position in onhighway trucks and cars, and has decided thot it can no cent in wheel loaders.

It has the odditional virtue of being profitable, and Clark pliers in this sector. Earlier this year, it put its medium duty truck transmission busi-

maker, As part or the deal,
Eaton is expected to buy out
Clark's 50 per cent stake by
the end of 1991.
With the strategies clearly
established, Clark is now grappling with the problems of
implementation, "In many

cases, it means new design, new suppliers," Rinehart says. "In some cases, the new designs do not fit into the traditional manufacturing configura-tion so you have to start over." So for, the main emphasis has been on improving both the quality and cost of bought-in components. Rinehart sus-pects that Clark will end up changing well over half of its suppliers. "You go to them, and many of them just do not believe that they are uncom-petitive. It is sad. And many others, even when they see it, say that it is impossible for

them to get there." For all that, the company has not changed the origin of has not changed the origin of its supplies much. It is making greater use of its components factories in Belgium and Brazil, and plans to move a major products in North Carolina to Brazil.

North Carolina to Brazil.

There will not be much crange in the sources of our value added when we are done, main factories in high-cost. value added when we are done, and the amount from the Pacific Rim will only be obout

The next, and much tougher, phase will see the introduction of many new products and processes. Clark has kept its capital spending well below its the North," Rinehart says.

depreciation charge for the past three years, and bas only prevented the deterioration of its plant by keeping the best of the machinery from its closed factories. But that can only go on so long. Also, both VME and the lift truck business are devaloning new proness are developing new pro-ducts, and these will probably require the adoption of new automated manufacturing tech-

automated manufacturing feet-nologies.

Rinehart's conclusions on the whole restructuring exercise are not surprising, "You have to have a lot of commitment, hard work and luck." And part

business.
"The factories in the South

Management abstracts

Direct Marketing in UK, L. Andrews in Direct Response (UK), February 1985 (2 pages)

Present results of a survey Present results of a survey of the use of direct advertising by some 200 major companies and its importance in overall marketing plans; while finding wide use (over 80 per cent of the sample), direct response is seen by most companies as a minor part of the marketing mix. Arones there is a strong case Argues there is a strong case for more education for senior marketing managers to develop understanding and skills.

Are British managers culturally sensitive to Islam? N. Nicholls in Business Graduate (UK). April 1985 (5 pages)

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pages)
Surveys a sample of companies marketing in the Middle
East to determine how they cope with cultural differences in dealing with Islamic customers in terms of product and advertising adaptation, and in selecting senior executives responsible for the market; finds that most consider cultural factors to be important (but economic-political factors more so). nomic-political factors more so), and that few difficulties are seen to exist.

Female managers overseas. N.
J. Adler in The Columbia
Journal of World Business
(U.S.), Autumn 1984 (6) pages)

Reckons that nearly a quarter of managers in the U.S. are women, but that only three per cent of expatriate managers are women; from a survey of U.S. and Canadian personnel managers reports that the majority believe that this proportion will grow, but lists the difficulties as-foreigners' preindice, dualcareer marriages, and resist-ance within their own com-panies.

Costing for marketing. I. Davies in The Australian Accountant (Australia), May 1965 (54

pages)
Argues that accountants should become more aware of the potential benefits of marketing programmes rather than hard work and luck." And part of the luck, he reveals, came in the legacy from the company's ill-fated dash for growth in the 1970s.

In the 1970s, Clark built three new factories for its major products in North Carolina, duplicating those it already had in Michigan. When the cruncb came, the company found it could close its four the stout that production schedule stabling and the could close its four the streets are constituted by the potential benefits of marketing programmes rather than just paying attention to the costs; analyses the various components of a marketing strategy and mix so that accounts analyses can follow; puts the view that production schedule stabling and the potential benefits of marketing programmes rather than just paying attention to the costs; analyses the various components of a marketing programmes rather than just paying attention to the costs; analyses the various components of a marketing strategy.

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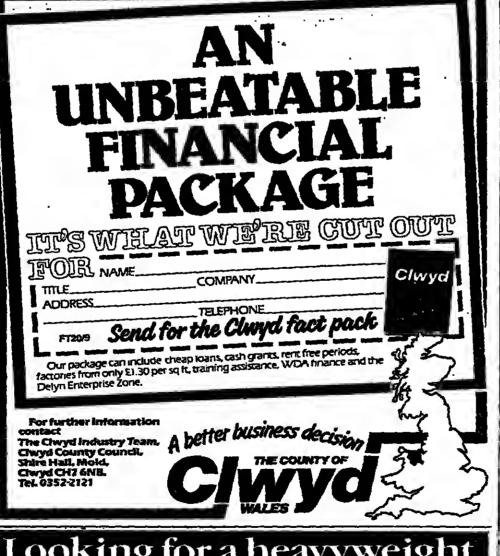


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FINANCIAL TIMES SURVEY

Friday September 20 1985

Innovative development and gradually reviving rent levels offer new hopes for selective growth in the sector

UK PROPERT

New blood and newer ideas

BY WILLIAM COCHRANE

THIS YEAR has seen growing ewareness of the limitations of UK property as an investment vehicle, and a willingness by property professionals to do property professionals to do something about it on a long-term basis. They have become more aware of the occupier's needs, and there is even room performance of rents

False dawns have been an annual feature of the property market since 1982, however. "To call property people optimists is akin to saying that Ben Hur was a bit useful with e horse cart," said stockbrokers WICO Galloway & Pearson.

Reports of institutions piling back into the property investment market were "a massive over-simplification." Property investment by institutions had reached an all-time high in the fourth quarter of 1980, at £569m for the quarter.

In nominal terms there has not been a quarter above £400m since 1988. "In inflation adjusted terms institutional investment is about 50 per cent less than its 1980/81 peak," the brokers said.

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Section 1

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MONAL

Echoing a number of institu-tional fund managers, Mr P. G. Hirsch, managing director of Hirsch Mortgage (Inter-national), said property had lost some ettractions with the fall in inflation and the increase in the real rate of return on fixed interest and other forms

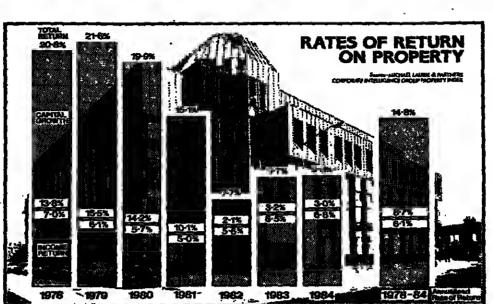
"Property tends to be seen as a sound, long-term inflation hedge and attractive when inflationary expectations are high," he said. "Under the present government the infla-tion rate has fallen. In this changing environment inves-tors have rended to be more interested in financial assets as opposed to real assets such as

When fund managers can earn e real return elsewhere of 3 or 4 per cent with little apparent risk they will think twice about investing in property, where some came badly unstuck in the early

Mr Paul Orchard-Lisle's programme for his term as president of the Royal Institution of Chartered Surveyors contains a would help to bring property investment into the second haif

Discriminating

Unitisation of single property investments would eventually bring home to the prospective investor that each property has its own investment characteristics and pros-pects. Indeed, the success of Wates City of London Proper-ties as a specialised investment vehicle suggests that they have already caught on to thet



Letting markets continued to show growth in ectivity and there was evidence that this is gradually beginning to translate into increased rental

They predicted that over the next 12 months if the economy continued to expand as expected, and inflation remained in the 4.5 to 7.5 per cent range, there would be rental growth of about 6 per cent-with e faster rate for shops and slower rates for industry and offices.

vehicle suggests that they have already cangit on to thet

The funding of Mr Rupert
Nabarro's Investment Property fall in yields. "Although pro-Databank and the decision to perty returns in the coming

Unburdened

Hillier Parker's research team, ed by Mr Russell Schiller, aid, that over the past six years in the secondary sector shops have massively outshops have massively out-performed all other types of property, with rents up by 79 per cent. The rate of growth is accelerating, with an annualised rate of 16.4 per cent. So there is hope. But it is solution as the property share

selective, as the property share market shows. This public face of the property industry has produced disappointing asset valuations this year, as what one observer has described as tional requirements of office buildings.

The combination of new blood, new ideas and innovations in funding point to a constructive year ahead.

make its work widely available on demand will also belp promote a more discriminating approach to the sector.

However, as Jones Lang Wootton said in the commentary for its summer Property Index, the key to long-term property performance is rental growth.

Letting markets continued to show growth in ectivity and there was evidence that this is

exciting business. Right or wrong in a planning sense, out-of-town retail schemes have been hitting the headlines; high-tech and hybrid office/ industrial properties bave attracted institutional backing; and information technology is changing the shape, and locational requirements of office buildings.

Measuring up to ambition

Mr Paul Orchard-Lisle, new head of Britain's chartered surveyors, has a clear campaign to boost the profession

THE NEW president of the Royal Institution of Chartered Surveyors, Mr Paul Orchard-Lisle, a senior partner in agents Healey & Baker, has a 25-point plan for his year of office. Most aim et improving the chartered surveyor's standing in public, professional and political terms.

However, Mr Orchard-Lisle is also aiming to improve the chartered surveyor. "I want to make sure that chartered surveying is a profession which adds value to the client," he "Too many others are reactive, or protective."

At local level the chartered surveyor should be seen as "worthy of consultation in much the same way as the family doctor or the family solicitor; et national level "as someone who can contribute to the formulation of policy and the taking of major decisions.

"We need to convince those in authority that we have some-thing that they should bear first-hand, not via their staffs. We need to stress that the chartered surveyor is as worthy of a main board seat or a chief executive appointment as any person in the business com-munity," he says.

There is a list of the "great and the good" in Whitehall — civil servants willing to serve



Orchard-Lisie, RICS president

in industry and commerce. Maybe the RICS should have something similar, e "nomination service," he says.

The profession will have to measure up to these ambitions. The institution is studying the relevance and practicality of a lay observer being appointed to professional conduct matters, a sort of ombudsman, in much the same way as Mejor-Gen John Allen does for the Law Society.

tien Allen, incidentally, will be on the platform at the RICS annual conference in Cardiff next March. The conference will look et the revolution in financial services, the blurring of divisions between profes-sions; diversification of services, the "increasingly dangerous minefield" of professional responsibility, urban renewal and the training needs of the

Meanwhile the institution is

already been reported between Healey & Baker, Hiller Parker, Jones Lang Wootton and Richard Ellis, sponsors of a "super index" of property market performance, and the progenitors of the Investment Property Detabank — Chestertons, Cluttons, Debenham Tewson & Chinnocks, Drivers Jonas, Savills end Weatherall Green & Smith. already been reported between

At one end of the market the At one end of the market the house agent who is a chartered surveyor will have to be seen to be better than the compet-tion. At the other, there will be multi-disciplinary courses for top people.

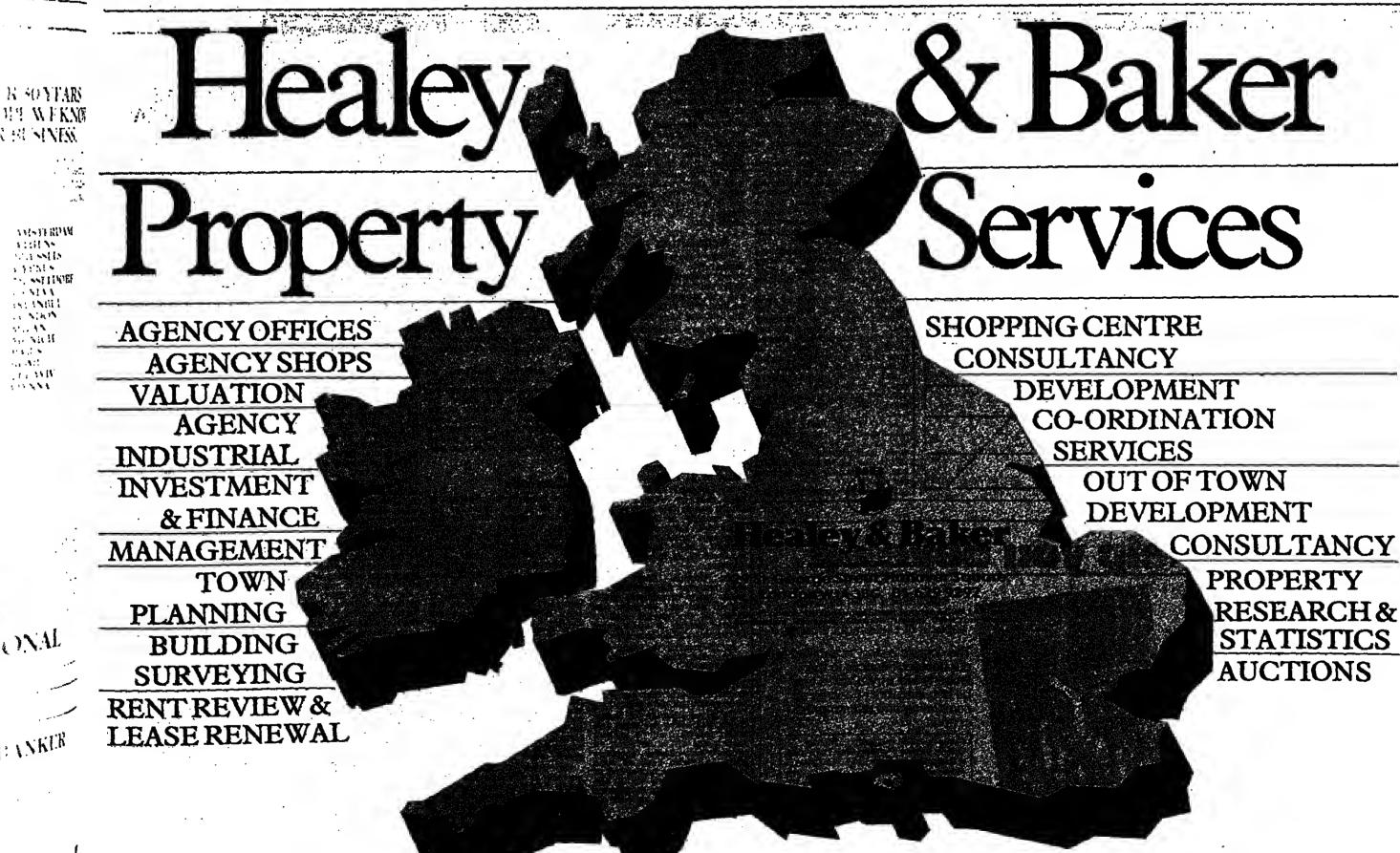
The institution is exploring the introduction of e diploma with the College of Estate Management open to those who specialise in property invest-ment, In the broad, Mr Orchardwants to improve ers' understanding of financial mrakets, of marketing and of husiness management.

Mr Ian Northen, president of the RICS planning and develop-ment division, will report on the development of the chartered surveyor as property manager.

Mr Orchard -Lisle is also pushing on with inherited pro-jects like the unitisation of real property. Mr Colin Veughan, of Debenham Tewson & Chinnocks and chairman of the RICS working party on the subject, has a definite target for completion of investigations.

The institution is waiting for new proposals for local rating in England and Wales, and looking at the simplification of the planning process.

W. C.



Property is re-emerging as a favoured investment, but problems remain on risks and funding gaps. William Cochrane reports

Rent rises restore confidence

Investment

PROPERTY investment stands in a better competitive position than it has done for some time. This is in high contrast to flow of funda a year ago.

"There is s general feeling among fund msnsgers which has been gathering pace over the last nine months, that property will re-establish its importance as a vital ingredient to any investment portfolio," Mr Andrew Gulliford, of agents Healey & Baker says.

This compares with last year's finding by the Debenham Tewson & Chinnocks Money into Property report that 30 per cent of institutional funds were going into liquid assets (compared with 17 per cent in 1983), even though interest rates were dropping at that time and liquidity was less attractive.

Reasons for the switch are two-fold Mr Gulliford says. First, the evidence of rental growth in the retail and office sectors and the anticipated recovery of industrial/ware-

bouse rents.
"Secondly, other competitive markete bave been suffering from lack of growth, particularly the equity market, which has failed to perform during

this calander year."
So there is a case for property investment; but in which sector? Earlier this year the Henley Centre for Forecasting reckoned that retail growth was due to be overtaken by that of office rents, and virtually matched by a resurgent indus-

trial market. Mr Gulliford says: "We the move to out-of-town com-do not in the foreseeable future plexes siphon off more and believe that the accelerated more retail spending. But

industrial rents will impinge upon the retail sector's pre-

" The incresse in retall rental levels overall is likely to be more favourable than in the other two sectors and this was certainly borne out in the last 12 months, to June 1985, by our PRIME report on rental

Mr Howard Spence, invest-ment partner at Pepper Angliss ment partner at Pepper Angliss
& Yarwood, takes a similar line,
"The gap in total returns
between ahops and office/
industrial property during the
past five years bas widened
steadily" he save

Shops bave fundamental advantsges of being less subject to physical obsolescence than other users and are less dependent upon covenent status. They also make up a less than optimum percentage of value within the average property portfolio he argues. Institutions therefore remain anxious to acquire more retail property. more retail property.

Recovery

"Another major factor assisting retail property is the rela-tively small lot size and the bresdth of available market to sell into." Office and industrial property tends to be large and indivisible.

pre-eminence is continue for some " Retail likely to time yet."

So there may be more scope for recovery in offices and even more so in industrials. There also may be a risk in investing in high street units - in spite of their convenient sizeshopping centres and, latterly,

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agents have to deal with the market as it is, not what it might become.

Agents discern a trend away from major conurbstions.
There basn't been much scope for retail property in major regional centres like Leeds, Bristol and Reading, with Zone A rents in the £70 to £80 per sq ft bracket," says Mr John Sloan of Richard Ellis.

"But where they were £20 to £30 Zone A in smaller towns two years sgo, they have often motored up to around £40 to £50, with yields moving from 51 to 6 per cent to between 41 and 5 per cent, or even a shade better."

These figures would indicate capital growth in two years of shout 120 per cent. Mr Sloan cites Marlborough, in Wiltshire, as a town which RE bought into about 18 months ago where rents have moved dramatically.

Mr John Orton, RE research chief, sees prospects for more involvement on the office side as values become more realistic. The firm's annual investment review this year had already pointed to a major upward movement in average yields in both the office and industrial

sectors over the last year. "The market bas now reflected the poor prospects for future performance from outmoded standard property," said the report. For a number of years, it said, this had been valued at yield levela which could not be justified, either by anticipated future rental growth or in comparison with yields

available on sale. "This substantial change in yield structure has more than offset the beneficial effect of rental growth over the past year

and has proven the major deter-minant of total returns in both the office and industrial sectors, which have shown negative capital returns of 1.43 per cent and 8.03 per cent respectively," aaid the report.

The consensus seems to be that this year will be a better one, for investment and returns Jones Lang Wootton have fore-cast an annual rental growth rele of 6 per cent for the 12 months io next June, and a total return from property of about 11 to 12 per cent sgsinst 8.9 per cent last year and only 2.4 per cent in 1982-83.

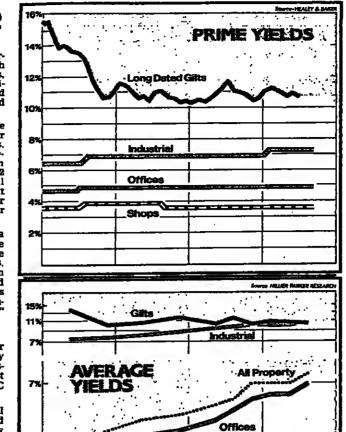
They saw little room for a general fall in yields while high returns remained available in the gilts and money markets. "Although property returns in the coming year may exceed last years, the improvement is likely to atem more from in-come than from capital growth."

Secondary

At a different level Mr Gulliford points to the activity by property companies purchas-ing other companies, the most spectacular being the MEPC purchase of EPC.

"There seems to be a general feeling that the value attributed to more secondary and tertiary properties are unlikely to fall further and have now been marked down sufficiently by professional sdvisers.

"The potential for not only rental growth but yield growth has therefore attracted potential purchasers of property companies where the majority of assets may fall into the secondary or tertiary category. The general anticipation of a fall in interest retes lends weight to



Resistance to low prime shop yields is showing in average figures and could end the period of prime stability since 1977, Hillier Parker says.

Equition

Balancing higher yields against tolerable risks

1982

Fund managers

THE IMAGE of investment managers as mindless "sheep" following fashion and automatically accepting prime property offers bas been punctured in the last year. Low-yielding bigb street sbops, for instance, long considered classic "sheep fodder," will not be accepted automatically

One outsider who has moved into the Institutional fold dismisses any slavish approach to investment in any case. "I don't think institutional

says Mr John Case, who moved ago to manage Pearl Assurance's £600m property portfolio. "Their property portfolios have been built with care. Assets bave been developed and

more money invested to bring properties up to date, or on redevelopment to produce There bas been talk of fund managers falling foul of the "black bole" — property short of prime in the 6 to 9 per cent yield range which showed itself woefully deficient in

growth and marketability in the recession years of 1980-84. But institutions bold only a small proportion of the property market, and their bold-ings tend to be of bigher quality, be says.

In 1984 the Pearl made a

small disinvestment in property but by June this year it bad new commitments of some £45.8m, of which about £23.4m was for retailing and the rest

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He does not go for the 31 per

cent bigh street unit. "The term yield is too low. I go for more than 5 per cent." And be the i queries whether the 31 per cent the current the first the fi

vestment manager of the Courtauld Pension Fund, goes a stage further. He said invest-ment property defined as prime was "dangerous," and that high returns with lower risks would result from a careful choice of investments dismissed as secondary.

"Over the past four years tiary markets because of the the capital values of most institulional property portfolios may provide a higher yield or bave shown very little net more opportunity and therefore change. Over that same period, carry more risk. than doubled, while the sterling from Peterborough Develop-ment Corporation about a year portfolio of foreign equities has trebled. Gilts bave risen by about balf.

ing ground for Mr Terry Goddard, investment and adminis-trative director of the Habitat/ Mothercare group.

were still attempting to reduce their property portfolios, the Mothercare Pension Scheme was involved in the largest programme of property acquisition in its history. Mr Goddard decided late in

1983 that he wanted a high return compatible with security and quality of income. He appointed Gordon Bloor and Company, specialists in com-mercial and short-leasebold investments, as sole agents and

Mr Gordon Stafford-Bloor said that over the previous two years more investments yielding 10 per cent or more bad come on the market and remained unsold. It was decided to concentrate on this area.

In 15 months the fund had spent some £13m (plus £2m on improvements) to obtain a commencing yield of more than 14‡ per cent. Since then, Mr Goddard reports that bundreds of the following the followi of propositions bave poured in.

Mr David Doubble, of Roths-childs has called for more and better information, "I suspect that many of us involved in property investment decisions spend a great deal of time ranging over a shopping list of areas in which we would like to buy, or sell, and monitoring areas in which we hold invest-ments," be said.

"We are always aearching for threads of information which could give early warning of trenda."

However, he also auggested that a louder voice should be raised sgainst the "insidiously pressure for short-

term property performance "generating a climate in which the investment decision gives queries whether the 31 per cent unit still be prime after the first rent review.

Mr Matthew Oakeshott, interest the performance tables; is vestment manager of the control of the control of the performance tables; is taken."

There is a clear move away from the long-term view of pro-perty, says Mr John Arkwright, investment partner at Herring Son & Daw.

"There is a possibility of fund managers going over the top by investing in secondary or tertiary markets because of the

"It is important to make the distinction between buying property in the secondary and ter-tiary markets for yield, and buying property which might otherwise be prime but for man-"Over longer periods the comparative returns from direct property show up very badly too." Pension fund managea and trustees, he said mail of the comparative returns from direct property can be improved to a prime investment by good management. agement problems such as poor

gea and trustees, he said, will move by fund managers no longer be prepared to buy is not so much to secondary or the best and bope for the best."

"The move by fund managers is not so much to secondary or tertiary markets in the tradiments, within the context of a small, mobile fund, seem to have provided a useful fund.

Mr Andrew Gulliford of Healey & Baker, says: "There is a growing awareness among fund managers that there is a At a time when a number of need to work properties within pension funds and unit trusts the portfolio by varying lease arrangements, refurbishing buildings, or ultimately selling properties which have not per-

Contends

The fundamental attribute of property is the potential for long-term growth and, in this respect, it does not matter whether the property is prime, secondary or tertiary," he maintains, indicating that some edvisers' definition of secondary or tertiary is different from

"In very general terms, if one accepts a higher yield, the risks of that investment are greater," he says. "The great skill is to balance the desire for higher yield with a tolerable level of risk."

Mr Oakeshott, who is leaving at the end of the year to set up his own business, said: "We will gradually be forced to recognise the brutal truth that there is only one sure rule for making a fortune in property as in any other form of investment: buy from frightened people and sell to greedy ones."

Mr John Orton, research partner at Richsrd Ellis con-tends: "This is really the role of the owner/developer, not that of the funder/investor."

However, RE acknowledges the sense of Mr Oakeshotts view that as institutions inevit-ably come to examine their own record in property investment more critically, there will be a revolution in attitudes to yields and the types of property

around long-term

Paths explored

distortion

Alternative funding

THERE IS a fundamental distortion of the top end of the UK property investment market. The distortion is long term, and The distortion is long term, and that been perceived for some time, but that perception has been beightened by events of recent years, the increasing investment awareness of the chartered aurveyor and solutions which the industry is beginning to but forward.

ginning to put forward.
Mr Jonathan Tinker, a member of the new financial services group at Richard Ellis, points up the distortion in City of ndon terms.
"There is ready institutional

money for City developments of up to £10m and a handful of institutions who can play in the £20m to £30m zone," be says.

"But once you are talking about the £50m to £70m building, you are also talking ebout a 7 per cent funding yield which could rise te 8 per cent if some form of participation is involved."

The owner-occupier is pre-pared to pay a lot more, he says. Brokers Scringeour Vickers noticed this when Misubishi Estate, the property arm of the Japanese bank, purchased the freebold of the 45,000 sq ft Atlas House on King Street and Cheapside in the City.

"One of the existing tenants, Mitsubishi Bank, is believed to be paying a rent of about £35 per sq ft, so the £34m purchase price would suggest a yield of just under 5 per cent," the brokers said.

The property market has been distorted for a long time, says Mr Colin Vaughan of Debenham Tewson and Chinnocks; chairman of the Royal Institution of Chartered Surveyors working party on unitisation of real property.

The 1925 Law of Property Act sought to simplify land ownership, he says. It invented the trust for sale, conceived as a stopgap, which spreads owner-ship of property but he limitations as an ownership or investment vehicle.

The 1958 Prevention of Fraud Act provides much of the framework of legislation affecting unit trusts and specifically excludes property from the type of assets which can be beld by anthorised unit trusts.

"Various taxation provisions militate against different types investor and inhibit their ective combination," Mr effective

Regeneration

For a while, this did not guiding valuations. matter. The last 20 years has seen an enormous growth in size of institutional investors and far less the and their need to spread their funds led to substantial investment in direct property. Recent. estimates suggests, that major. institutions and pension funds have some £30bn at risk in the

Risk is the key word. Past practice for the institutional market would be that few would sell within 10 years of purchase, sell within 10 years of purchase, and many would consider their of the unit trust to provide a property holdings permanent, simple and effective means for Mr Vauchan says.

Mr Vaughan says.
"When the 1980 recession came it exposed many of the

exposed.

This took place at a time when larger and larger sums were required by ambitious developers for projects of urban

"It has become obvious that in the future, larger sums may be required to procure the regeneration of many of our inner city areas. But the institutions which in the past have been recept that there will be so the same of principal sources of funds for major projects now recognise the trap which may arise should a sale become necessary."

A return to traditional

ment has been for the estab-lishment of the single-property investment vehicle, whether a investment venicle, whether a unit trust, a company or a syndicate. "It seems illogical that a major public company can be owned by thousands of shareholders but major property cannot be so subdivided," Mr Vaughan says.

Shares in ICI get their dividends from what is virtually the bottom line of the acrounts, whereas with many property holdings, the net is almost equivalent to the gross.

"The property market is In-efficient," be says. "The mystique associated with it operates in the same way as some restrictive practices and deprives investors of legitimate opportunities."

The RICS working party published a consultative document which recommended that single property unit trusts should be authorised by the Department of Trade and Industry so that a wider range of investors could be involved in the property

Its final recomme are due to be published in the autumn. "The working party is now preparing a definitive report which will, amongst other things highlight the advantages which might flow from the creating of a vehicle which would permit the unitisation of property assets," Mr Vaughan

Renewal

The individual investor would get the chance te place small sums in properties of his choice. The corallary is that the property professionals may open themselves to intense questioning and criticism from the media and probably their own compelitors.

The developer could obtain funds in much the same way as companies are floated by public offer of shares. But the developer had better get his facts right, for equity issue prospec-tuses come under strict scrutiny from professionals.

Institutions would be able to come together and fund substan-tisk developments without run-ning the risk of massive over-

Mr Vaughan sees as an important consideration that the remment could realise some of its property assets this way, as well as finding sensible funding for some urban renewal prospects. If so, one might expect sympathetic treatment for altering the existing legal and tax frameworks.

Finally, the trading of individual unit holdings within a secondary market would provide bench marks of value which would be of great benefit in

"Valuations could become far more reflective of a market and far less the subjective opinion of a highly qualified individual," Mr Vaughan says.

Mr Andrew Gulliford, of Healey & Baker; says that if unitisation gives the smaller investor a chance of purchasing a stake in a building he would otherwise be unable to contem-plate, then this must be bealthy.

"It is then up to the manager individual property."

A paper which saw a market decisions to buy, and resulted similar in concept to the Stock in attempts to sell many of the Exchange was produced by Mr in attempts to sell many of the larger holdings which major institutions had accumulated. In a declining market for all but prime retail values this proved extremely difficult, and the fact that property is an illiquid commodity was brutally exposed.

This took place at a time when larger and larger sums were required by ambitious de-

Mr Vaughan and his team seem to be thinking along simi-lar lines. "It might represent

"I am not doing this for insti-tutions which will be able to sell illiquid properties as a result. I accept that there will have to be strong safeguards, especially strong for the small investor, but the best safeguard is an open, free market in property. sources of short-term finance, the bank, has belped to plug the fr ding gap. There have been increasing moves towards partnerships between developers and institutions, and Mr Tinker wonders whether participation mortgages will be imported from the U.S.

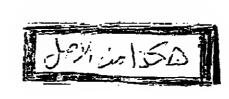
But the meet assistance, open, tree market in property. It might be argued that the RICS is merely seeking another members. This would ignore the fact that by opening the market more widely and demonstrating its workings more clearly, other financial advisers would be able to operate in the market with rom the U.S. to operate in the market with But the most persistent argu-

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UK Property 3

In a sector divided by ability and prospects, even the biggest names are threatened. Expanding groups are devouring others in the hunt for opportunities, Michael Cassell reports

Predators stalk the hybrids

Takeovers

THERE IS nothing quite like the prospect of an unwelcome suitor for smartening up the corporate image and sharpencorporata image and sharpen-ing a company's sense of survival. The property sector bas seen a number of agreed marriages during the last year but the takeover which bas pro-duced more column inches than the post publicity-hungry estate agent could ever dream of is the one that has not even

happened.

In April, Stockley, the thrusting property development and investment group run by Michael Broke, Stuart Lipton and Elliot Bernerd and backed by Jacob Rothschild, picked up an all-important 22.5 per cent share stake in Stock Conversion, previously owned by family previously owned by family interests of the late Robert Clark, Stock Conversion's co-Together with Jacob Roth-schild's private shareholding, the £75m deal gave Stockley 26.5 per cent of one of the UK's largest (but arguably sleeplest) property groups.

Unleashing

Kenteway.

Stockley said it had no intention of bidding for Stock Con-version for at least six months, a stance which unleashed a revive as the period expires. Stockley may either mount a bution towards the brighter full-scala bid (soma believe it would be an over-ambitious move, irrespective of the company of the move, irrespective of the com-pany's undoubted management skills), use its strategic stake to engineer a property swap or simply sell its share stake. It could, of course, simply bold its position for the time being.

Whatever tha intentions, it is the response of Stock Conversion to the potential Stockley

Life's bid for control of Capital & Counties unveiled in June.

The South African life assur-

threat which represents the most illuminating aspect of the affair. Though the directors continue to deny it, preferring to bild after acquiring a small block of shares from British revival represents the unleashing of in-house talent previously overshadowed by Mr Clark, the prospect of a fight for independence has provoked a remarkable. ence has provoked a remarkabla transformation.

One of the most private of One of the most private of public property groups, Stock Conversion has this year been talking about itself and its ambitions in a way which Mr Clark would have found unnecessary and unacceptable. It has also managed to assemble an impressiva list of potentially major developments which can now be brought on stream, atthough the group may have preferred not to talk about them or pursue them with any urgency.

The younger management, which has been given its bead, displays a thorough understanding of the mechanics of modern property development and appears teady to adopt an aggressive portfolio management style which will extend to disposals as easily as it does

to acquisitions.

If the quality of the 190property portfolio is mixed and
the group's recent asset performance has been disappointing, then charebolders —
already resping the benefit of a
more generous but still overly
cautious dividend policy — can acquisitions.

tion has been he biggest recent talking point, there have been other corporata takeovers and portfolio acquisitions to maintain interest in the sector. Perhaps the oddest was Liberty

block of shares from British
Rail pension fund and breaching the 30 per cent takeover
code ceiling.

The bid was not, according to
tha South Africans, designed to
take control and Capco told
sharebolders the offer was o sharebolders the offer was o poor one. Even so, by the end of July they bad picked up about 90 per cent of Capco's ordinary shares. Capco will retain its separate listing and management and there is a good chance that Liberty Life's bolding will be gredurily directed. ing will be gradually diluted.

Other deals were more straightforward. Greycoat City Offices made an agreed bid for Churchbury Estates and its quoted subsidiary Law Land, in a move to enlarge its asset base without significant dilution. The expanded equity and profit base will enable tha group to continue expansion and retain a greater share in developments.

Cash-rich

Greycoat has a strong management team (its plans to raise the level of retail exposure make excellent sense) a modern portfolio and a high quality development programme. The Churchbury deal will help fulfil. its ambitions.

There was less stock market optimism for MEPC's £112.5m acquisition of the English Property Corporation portfolio, a package of property owned by Olympia and York which had been on the market for some tima and which the new-look Stock Conversion had examined.

The issue of shares in part-payment by a cash-rich company raised a few eyebrows around the City, though the deal went a long way to meeting some concern that MEPC was find-ing it harder to maintain the entum of recent years. It

is a fear which the group denies, pointing to a large domestic development schedule and an active programma of portfolio management. The EPC portfolio will give it plenty of scopa for fresh development activity, although

some of the properties are un-likely to remain long in the MEPC camp. Another significant portfolio sequisition centred on Peachey Property's purchase of Lloyds Bank Property for just over £28m. The move provided an ever-astute Peachey with the chance to pick up some attrac-tive retail and office property

The company believes there The company believes there is little need for weeding out and that it has acquired a portfolio for a good price, offering scope for rising rental income and capital values. The next phase in its expansion, therefore, has been painlessly secured.

around the country.

secured.

The future might not be so painless for others, particularly those who do not have the resources to buy the next round of work. For some the chances of work. For some the chances of continuing independence look slim, given their lack of management expertise and financial backup—and, as importantly, their potential attraction from expanding groups seeking asset backing

and development opportunities. According to Mr Nicholas Owen, senior partner at agents Herring Son & Daw: "Many of the older, quoted property companies are at risk of take-over once family control is reduced

because they are hybrids, "They were created befora Corporation Tax and the reverse yield gap. They grew on cheap money but bad to turn to trading to cover borrowing costs. Now they are neither attractive investment vehicles nor top quality traders. They are set to

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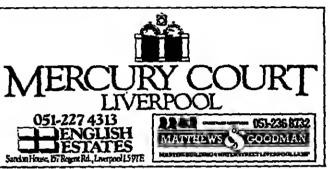
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The gulf in the prospects of individual property developers has continued to grow

Caught on the hop by revolution

Performance

WHILE THE UK property market has become increasingly characaterised by the widening north-south divide, so the gulf in performance and prospects between individual property developers has continued to

property market bave been clearly reflected in the fortunes of the major property groups, highlighting the inberent weaknesses of some and the strengths of others. The big shakeout has forced developers to rethink strategies which recent events have often shown to be dangerously ontdated.

ments appear to have per quality of some property being has been its reluctance to manently altered the rules of created and its ability to stand development and ownership. The test of time.

Companies failing to recognise In addition, an enthusiastic it is in a better position than ont of the game.

the institutions, most of whom have until recently cut or even abandoned new property in-vestment, the corporate sector row. has rarely appeared more The recent problems of the divided in terms of ability or

Enthusiastic

The advent of a new breed of merchant developer has proved refreshing at a time when institutional dominance of the investment and development markets had introduced predict-Few would dare admit it but the property market revolution, of davelopers has combined probable has ended years of landlord dominance and left occupiers with the upper hand and fresh property demands, which have einded competitors with a more traditional appropriate. with a approach.

The widespread belief that the commercial property scena rekindled the spirit which was merely passing through another of the sur/ly-demand the property industry's early cycles which have been part of its history has been pain. of its history has been painof its history has been painaway success. Their ability to
fully disproved. Tha extent of put together development deals
structural changes in the
British economy and their
impact on occupational requirethere are differing views on the

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the fact could find themselves City of London following has ont of the same. ont of the game.

The ranks of UK property on expectations than past record dominance must be held and the pressure will be on partially to blame, with several categories. Apart from some high-filers to produce developers building to meet the demands of funds rather than ratings.

The property sector stars are not hard to identify. They have made their impact through a form of innovative, active management which has been in short supply since the market collapsa at the beginning of the 1970s.

Names like Stockley, London & Edinburgh Trust and Rose-haugh bava moved quickly to exploit an approach to property investment which generally entails minimal in-house risk yet offers the chance of significant participation in developments. Close behind come comparatively small but ambitious and skilled development opera-tions like Peel Holdings, Brida Hall and Arlington Securities. Each has chosen to concentrate on specific sectors of the development market.

It may seem astonishing to those with little knowledge of the property market, but one of the keys to the success of the newly-emerged developers lies simply in their willingness to do thorough research. One of the principal criti-

cisms of the development sector

lts clients to judge what is appropriate. Institutional pre-dominance must be held of occupiers.

Preliminary market research backed by a detailed analysis of occupational requirements has enabled the more thought ful developers to create property with an immediata appeal. This enhances the prospects of pre-letting and early income,

A benefit automatically extended to the latest genera-tion of developers is the absence of large, historicallybeld portfolios, whete deteriorating rental and capital performance can only be stemmed by a fresb (and sometimes substantial) injection of

Several long-established investment groups have been slowly waking up to the fact that a growing proportion of their property portfolios is becoming a liability rather than an asset. This is only being reflected partially in current valuations and will have an increasingly crucial impact on performance.

Few major companies can claim not to own such proper-ties but their presence is invariably seen as less important than management's ability to do something constructiva about

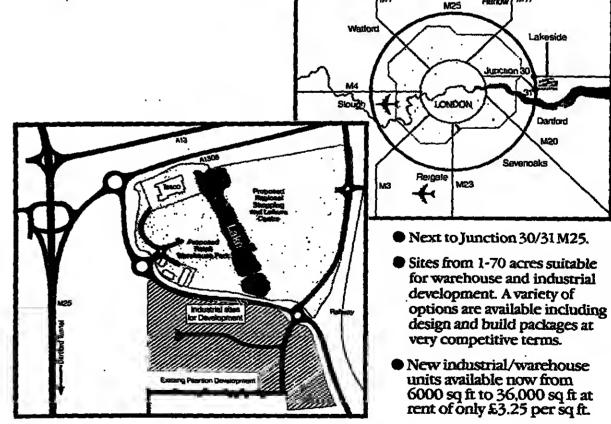
The days of passive rend collecting are over and active management is a crucial pre-requisite for success. Some giants of the development sector are still perceived as too sleepy, although few hava failed to embark on portfolio re-appraisal aimed at weeding out problem properties.

Land Securities, the largest UK developer, which has an investment portfolio in excess of £2hn, provides an excellent exampla of the dilemma facing old-style companies in a rapidly changing market. Any company of its size encounters difficulof its size encounters difficulties in adding value to its income and asset profile at an
above average rate. The principal method is the continual
"massaging" of its portfollo.

Land Securities' efforts have,
in tha words of one stockbroker.
been "fitful to say the least."
In spite of the more active
approach towards portfolio
management, tha City appears management, tha City appears unconvinced that its recent period of underperformance is period of underperformance is about to come to an end. As the same broker com-mented: "No longer is it satis-factory simply to be the blggest within an industry that is demanding the best."

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David Lawson and William Cochrane examine the main factors influencing markets and development trends Bias to The importance of image

Land prices may burn fingers

Industry/ **High-tech**

A COUPLE of years ago, property investors and local planners started to receive a barrage of criticism from agents over their snail's-pace towards development of modern, flexible buildings to suit the needs of modern, high-tech industry. They seemed addicted to pro-ducing standard "sheds" more suited to distribution and oldfashioned production — even though vast numbers lay empty.

Today, to the horror of those agents, the message has been taken up with almost evangelical zeal. Aligh-tech schemes are sprouting like weeds from almost every available site in the prosperous South. Land values have soared to £1m an acre in some parts of the Home Counties as institutions and developers scramble for the chance to offer shiny glass home in the expectation of boxes in the expectation of rents of between £8 and £10

"Fingers will be burnt," says Jones Lang Wootton.

The best high-tech schemes with all the attributes of flexibility, parking and—most of all—correct location will let at high rents, adds Clive Lewis & Partners but many sites con-sidered worth flm an acre will decrease in value by up to half to be sold for ordinary ware-housing and industry. Ironically, just as demand for

traditional accommodation is reviving they are being ignored or priced out by the soaring land values. And funds are being accused of pouring money into very secondary sites or developing so-called modern buildings that will not let.

"There will not be sufficient growth to justify prices being paid, end in many cases there will be more growth in well-located industrial end ware-house estates rather than inferior high technology building," says Grant & Partners. "There will not be sufficient

driven onwards by the evidenca of high rents achieved in schemes already built. Wordplex, for example, took 95,000 sq ft at Slough for £8.50 a sq ft Investors, however, are being country.

driven onwards by the evidenca

Take-u

of over-supply and choice of and Hewlett Packard some the wrong sites in many cases.

"Fingers will be burnt," file a sq ft. Clive Lewis points out that rents in these prime areas have grown from £5 or £6 a sq ft only two or three years

> Grant also points to the Rediffusion Simulation lease for 30,000 sq ft of shed with 50 per cent offices for £6.50 a sq ft at Airtech 1, Crawley, which compared with the normal £4.50 a sq ft for standard space, showinterest in busy industrial areas. Yet the agent castigales planners for trying to latch onto the employment potential of high-tech allocating unsuitable built-up sites in London.

While developers are concen trating on this rich sector, the tide seems to be turning a little for traditional property. Rents measured to last spring increased by more than inflation for the first time since 1979, according to the Debenham Tewson & Chinnocks annual survey—an average of 7.6 percent for 24 centres around the

dearth of development outside high-tech, has led Hillier Parker to forecast that the continuous reduction in real rents that has persisted since 1979 should end this year, followed by a slight rise. At current prices this would mean a 6 per cent annualised rise between May 1965 and November next

Even in traditional property bowever, most of the growth is in the South-east, and the North-South gulf is widening. Mr John Organ of Healey & Baker points ont tha two-tier nature of the market. In the South-east there will soon be a shortage of standard 5,000 to 10,000 sq ft units because high land prices. Demand also strong for 20,000 to 45,000 sq ft units with 25 per cent office space—half of it from overseas companies and for 100,000 sq ft-plus warehouses

ar motorways. near motorways.

Away from the motorways (particularly in the provinces) space remains unlet on speculative industrial estates. As an indicator of demand, land is in reasonable supply at prices from £20,000 to £100,000 per acres.

The chorus of criticism is now raised about the possibility Anxious eyes look out of town

Retail

THE SEEMINGLY insatiable appetite of the British public appeute of the British photo to buy almost averything shop-keepers will offer has been matched again this year by the parallel demand by owners for higher rents to match the increases in spending power Consequently, the country's high streets remain a competitive hunting ground for in- at very low yields and will need vestors, although average yields have twilched upwards in what may be the first signs of a realisation that the rise in re-

Prime rents rose by 9.5 per cent in the year to June on the back of a 10 per cent increase in retail spending, according to Healey & Baker. The loog-term attraction of the sector was shown by Debenham Chinnocks' analysis that retail has shown a 21 per cent annual return since

to radical changes in the struc-ture of tha market. The trend to out-of-town developments particularly the proposed retail or "jumbo" parks—is causing a few tremors among investors with money tied up in town centres. This is often invested

some years of rising rents to make sense. Nightmares about deserted realisation that the rise in returns cannot continue at such a according to most analysts.

Traditions of town-centre shopping for comparison goods are unlikely to alter in this country, Healey & Baker says. But better judgment on the pros-pects for each individual town centre will be needed when buy-

ing investments.

This is reflected in the fact that Debenham Tewson & Chinnocks doubts whether the re-

Guildhall Yard,

Harris

London EC2V SAB

cent spectacular rental growth 1977 (8 per cent real annual) cent spectacular rental can be compared with the 12 per cent in some provincial can be compared with the 12 per cent in some provincial can be compared with the 12 per cent in some provincial can be compared with the face of conof the whole property sector.

Behind the almost casual acceptance of continuing improvement in income, however, anxious eyes are being tuned to more shooping centres are being shooping centres are being shopping centres are being built, and with new roads like the M25 competition is becoming increasingly intense for customers. Quality of property is becoming as important as location as an attraction for

Decentralised retailing has

become a market in its own right through three stages of evolution, H & B says: first were the DIY stores in converted warebouse on industrial estates; warebouse on industrial estates; then came the still-popular purpose built units on main roads, and now retail parks are forming. Rent levels for non-food stores are regional rather than local but cover a remarkable limited many form lower of ably limited range from lows of £3.50 a sq ft in the provinces to £6 in west London.
Institutions are beginning to accept investments free of the

Jones Lang Wootton says yields bave failen from between 9 and 10 per cent to 7 to 8 per cent. Foodstores are still difficult to finance and are usually finding mance and are usually inding their own cash to pay for sites at np to £2m per acre.

In the high streets, shortage of prime shops has brought premiums of £75,000 to £125,000 to £125,000

for standard units in centres like Reading, Guildford and Kingston, according to Mr Peoul Gale of Smith Melzack. This shows that operators like shows that operators and restaurant chains are unimpressed by moves out of town.

moves out of town.

Central London has seen dramatic improvements with premiums of £100,000 to £200,000 the norm, and Hiller Parker points out that Oxford Street should see even better times ahead. It showed that real rent rises lag about a year behind increases in numbers of overseas visitors, so even if tourism growth falls off in 1986. tourism growth falls off in 1986 the rise in income should D. L.

LEADENHALL CORNHILL Langbourn House FENCHURCH STREET, EC3 FENCHURCH STR

South continues

Offices

GENTLE improvement in demand for office space across the country has tended to be lost in the overhang of space which is proving increasingly unattractive to quality-con-scious tenants and also in the of activity in the

While the Healey & Baker rent index showed an 8.4 per cent growth for the country as a whola for the year to June, most provincial centres been stagnating or have been stagnating or realising increases from un-economically low base levels This continues a picture painted by Debenham Tewson & Chinnocks of only a handful of towns like Bristol, Glasgow and Manchester producing returns close to or better than inflation since

But strategic shortages in centres like Leeds are threatened as demand eats away vacant space with little development in store, so further increases in rents seem

Frenetic activity in the City of London in reaction to the securities industry revolution has dominated the market, with Jones Lang Wootton's CLOR report showing a 176 per cent increase in take-up compared with a 47 per cent increase for central London as o whole in the first six

menths of this year.

Most demand has been for
the large buildings snitable for combining new financial partnerships. These blocks tend to be clustered around the City fringes, raising fears that the core may suffer. that the core may suner.
Richard Ellis, however, expects prime rents to grow 10 to 15 per cent in the core this year, and have already reached £33 a sq ft.
The CLOR report says West

End take-up of new space is down on the latter half of 1984, but Richard Ellis points out the decline of total supply from 5m sq ft to about 3.5m over two years and the rise in rents between £28 and £30 a sq ft in parts of Mayfair and

The M25 has boosted for tunes of the ring of centres around London, and the Western Corridor is continuing to net tenants at rents np to £15 a sq ft for the best buildings.

Industrial

end office space, or is this just a way to inflate rents? Will the occupant want homely sur-roundings, or dramatic build-ings in steel, plastic and glass? Mr Paul Orchard-Lisle, president of the Royal Institution of Chartered Surveyors, says we will be talking about "employment property" in the future

and worrying less about subclassifications. On shape and building forms, Mr Stuart Lipton, driving force behind the massive Stockley Park industrial development proposed west of London, says: "High-tech is low-tech in terms

building."
He and his advisers have studied modern industrial pro-perty across the U.S., finding brick-built that bomely, brick-built exteriors, but office-type space, facilities and general levels of interior comfort seem to be tha

WILL THE industrial property of the future be an amalgam of

manufacturing, storage, r & d

Stockley Park's 347 acres are strategically located near the M4, M40 and M25, Heathrow Airport, the Intercity railway line to the West Country and two London Transport under the Market Country and two London Transport under the Market Country and the London Transport under the Market Country and t ground lines to Heathrow Central and Uxbridge. The development team aims

to create an inward-looking community related to open space amenities. It hopes to form a focus for the scheme by establishing a centre with shops, restaurants, a pub, hank, management and leisure management and facilities.

Expectations

Open spaces will include a golf course, playing fields, playground, equestrian facili-ties, a canalside park and opportunties for other users.
Gross floor area for the buildings on the site goes up to a maximum of 1.5m sq ft and Stockley's market research suggests certain characteristics in relation to technological industry requirements. Some industry requirements.
of these include: Buildings with good natural light and only 60 ft wide.

· Groupings around courtyards. Parking screened by build-ings and landscaping.

Buildings related to open space amenities, especially

In a report for Stockley on the needs of modern industry, research consultants and space

development

vice and survive. The thrill of establishing the company comes before concerns about the finer points as to the quality of tha working environment, and plans cannot be formulated far

Later, during the "youthful" stage, individual entreprensur-ship is all-important. But eventually systems are established, real estate policies formulated, and a concern emerges for the quality of the

external image and external ppearances.
"Maturity results in delega-"Maturity results in delegation to in-house premises specialists, in long-term real estate
commitments, and a desire to
reflect a distinct corporate
image. At the final stage of an
organisation becoming established, the stability of the corporation is reflected in the
ownership of land and buildings, and procedures and standards are well established."

ings, and procedures and standards are well established."

This might explain why coma academic entrepreneurs are happy producing technological miracles in 20-year-old prefabs while a company like Merck Sharpe & Dohme Research Laboratories has rejected the

rural boffin " image.
Dr Malcolm Parry of the Surrey Research Park at Guildford, and until recently involved in research, says: "I've got a suspicion that the committed scientist can do what be wants to do anywhere. The choice of premises will depend on how many layers of marketing and administration he has on top of

Dr Parry says a research park creates its own image and may, therefore, not need glass and plastic architecture to appear

The developer, clearly, is going to have to think about borses for courses when pitching for the high-tech market. And will he be selling high-tech, or the collection of mixed manufacturing, r & d and office use that so querades as it? sometimes DEGW take a detached view.

In traditional industries the majority of space is given over majority of space is given over to storage of raw materials and finished products, and to tha manufacturing process in a single-function building," they

research constitants and space research constitants and space planners DEGW sald that growing knowledge-based firms wished to establish themselves in the market by presenting an identifiable external image, and through the quality and character of huildings. through the quanty and charac-ter of buildings.

"Companies vary in their ex-pectations depending on their stage of life," they said. "At vice and product repair and cusinfancy their main concern is tomisation to meet local needs to establish a product or ser- and regulations."

On growth prospects, their on growth prospects, their conclusions suggest flaws in any specialist approach to letting. "Expectations are that opportunities for growth will be in the high-tenh execute." the high-tech sectors. However, it is clear that within the high tech growth sectors many com-panies are declining and that within the declining sectors individual companies are suc-

ceeding."
DEGW note that URBED's research for Stockley into the future of the London economy suggests that the answer to where growth may arrive lies not in a particular industrial sector or type of technology, but in the type of business which "can ride the waves of rapid

Successful companies appear change. to have several characteristics in common. They are: innovaapplication of knowledge, Dependent on global connec-Sensitive to market tious; Sensitive to market trends and customer services; Specialist within precisely defined markets; and Committed to excellence.

Shells

DEGW conclude that the development at Stockley Park should provide:

Small, flexible, units for infant, fast-growing firms, as well as large independent plots for mature and established firms to build to their own requirements.

Flexible tenure arrangements

to allow for growth and move-Basic building shells which

can be fitted out speedily to meet individual requirements. with overall cost savings.

Support services and site management to ease the management burden of young companies and ensure the quality of the location for established with overall cost savings.

companies.
Prospective tenants, DEGW discovered, wanted flexibility of use, adaptable spaces and room for services like information technology. Ease of subdivision and security attracted them to and security attracted them to two and three-storey buildings with the capability of zoning into separate customer and staff areas. They also want room for expansion, adequate parking and space for deliveries. Only three of 26 interviewees in the electronics, hard-

ware, pharmaceutical, control and instrumentation, and information sectors considered landscaping and site image of first importance, although assumed it to be desirable. The general attitude was

that the companies were not looking for flashy modern or trendy high-tech huildings, which looked (and might be) expensive," DEGW say. "They were concerned to present a clean products value for more clean, uptodate, value-for-money

City at sharp end of revolution jobbers, UK merchant banks the site from the new station will want to be," Rosebaugh

Office development

THE CITY of London is at the sharp end of office property development. In recent years the advent of information tech-nology, the power of the occupier, rising occupation costs and restricted development in tha City core have led some pundits to revive the spectre of decentralisation—or even pre-dict that City specialists will be working from computer ter-minals at home in future.

What does seem to have hap-What does seem to nave nap-pened is that occupiers in the financial, professional services and similar sectors have con-firmed their need for the big urban block, have become less choosy about locations and more exacting about the quality of

"Unprecedented change is "Unprecedented change is re-creating the City," say DEGW, research consultants and space planners, in a report for Rosehaugh Stanhope Developments, which is redeveloping Liverpool Street and Broad Street railway stations in partnership with the British Rail Property Board in a way that takes account of market changes.

internationalisa-

Banks

"Growing internationalisa-tion of trade, increasing foreign competition, reforms in the Stock Exchange and spectacular improvements in telecommuni-cations and computing are com-bining to loosen traditional locational ties and to generate novel demands on buildings, in particular for highly serviced sling floors, for large, clear, deep office floors, and special-ised ancillary spaces for meet-ings and entertainment." DEGW Internationalisation

meant that the number of foreign banks represented in London has risen from 135 in 1968 to 470 in 1984: that staff employed in foreign banks over the same period quadrupled from 9,000 to 39,000; and that foreign banks have significantly ncreased their share of City office floorspace.

Competition has brought in large U.S. and Japanese integrated merchant banks and securities companies like Gold-man Sachs, Merrill Lynch and Man Sachs, Merrill Lynch and not just as a series of blocks Nomura. And changes in City but mainly around the move-practice have led to the con-ment of the large number of glomeration of stockbrokers, pedestrians who would

and international investment banks, leading to a sudden demand for large units of new office space of superior quality. Modern requirements mean buildings are no longer just so much square footage. They are becoming the infrastructure of services on which the emerging financial services industry depends," DEGW say.

"Telecommunications place

severe demands on buildings— particularly the need for standby power, clean and uninterrupted power supply, sufficient underfloor and duct space for cabling, easy access to cabling, and means of coping with high local beat loads from equipment by local air condi-

The main building features required by financial services industry are: A convenient (though not necessarily central) location and a strong and indentifiable build-

ing image.

Floors of at least 10,000 sq ft of usable space and pre-ferably up to 30,000 sq ft, with a depth of 50 to 55 ft windowa depth of 50 to 55 it whitever to-window of relatively uninterrupted space.

Structural floor-to-floor height preferably of 12 ft 9 in, and finished floor-to-celling height of at least 8 ft 6 in or preferably 9 ft.

 Well-serviced buildings with decentralised heating, ventila-tion and air-conditioning (HVAC), adequate vertical ducts, provision for raised floors, zoned control of lighting,

power and HVAC.

Value for money and low operating costs. Dealing floors should be pre-ferably 60 ft deep or more, and square, DEGW says. The struc-tural grid should be at least 25 ft, with sufficient depth to allow for higher-than-average raised and stepped floors. Air conditioning should be able to handle high local needs for cooling and there should be

area for telecom and data equipment rooms and adequate cabling. The DEGW development at Liverpool Street, called Broad-gate, will comprise four build-ings totalling 925,000 sq ft of net space with typical floor sizes

space adjacent to the dealing

ranging from 21,000 sq ft to 45,000 sq ft. Rosebaugh Stanhope say the not just as a series of blocks but mainly around the move-

The pedestrian route will be lined with shops and eating places. These routes include

route. The route will be reinforced by landscaping and changes of level within the square, which will serve as a focal point for the buildings. Central to the design of the larger square is a three-storey circular stone screen which will be extensively planted and will incorporate a

estaurant and promenade at

two new squares, the larger designed as an opening for the

Identity

Access to buildings around the screen will be for taxis and VIP vehicles, while private car parks and service roads will ba below ground, essentially pedestrianising the area.

The larger square will form a natural amphitheatre for activities including open-air theatre, concerts, and ice

"The 10-acre site at Broadgate is probably the last remaining City site large enough to create an identity all of its own, designed not as e typical city rent-slab, but as o place where every attempt has and will be made to create an atmosphere where people

Stanhope says.

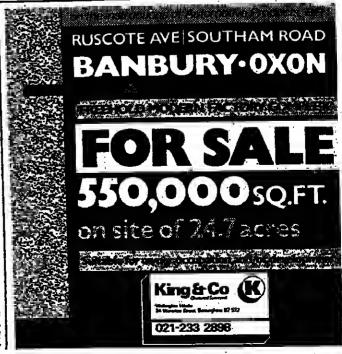
Inside the buildings will be oversized goods lifts and loading docks; and provision will be made for up-to-date communi

cations technology. In addition to telephone, telex, facsimile

lines and video conferencing, high-speed data links will be provided if required. The buildings will be linked to a 24-hour central point for security, fire control and equipment maintenance.

Each building will be com-pleted in shell condition. Occupiers can choosa standard specification for such Items as raised floors, suspended cellings, lighting, etc., or have the floors fitted out to their own specifica-tion with a contribution from Rosehaugh Stanhope to the costs.

Special consideration essentially been given to energy efficiency and service charges are antici-pated to be less than £3 per so ft per annum.
Letting agents Jones Lang
Wootton, Healey & Baker and
Matthews Goodman & Postlethwaite have had a fair start to their endeavours, with Secu-rity Pacific leasing the whole of the 150,000 sq ft first phase of the development, and the finan-cial services arm of American Express in for the 310,000 sq ft



or all Raffour ing parameter in

Financial

derelapment & saul the Lore palitan Estates orc. Saw f to Kel Same pe us anth and I sublimer, same hok with a maj Mr Lewis Ra drucken activi Metropolitan, pan farmed Trust and Sal

ti operates markel as Lack tech. industria and in new ris naker Place the Car of La floque on cap. fuodens from and provided contract for to P & E.L. I Parker, in Peler Beck day it came t later we we looking at the

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William Cochrane talks to some of the players in the property game

Building with the brothers

MR DAVID LEWIS met the Beckwith brothers about five or six years ago while build-ing palfour Beatty's build-ing business in the Sonth-cast. "I had no involvement in development of that state." development of that stage," said the London & Metro-politan Estates chief execu-tive. "I saw the opportunity to get some negotiated build-ing work and the Beckwiths, I suppose, saw advantages in a link with a major contractor." Mr Lewis gave up his construction activities about three years ogo to run London & Mctropolitan, a joint company formed by the Beckwiths' London & Edinburgh Trust and Ballour Beatty.

It operates in the same

market as L&ET—retail, high teeh, industrial and offices and is now right at the sharp end with its 255,000 Ropeend with its 255,000 Rope-maker Place development in the City of London. This will have an estimated value of £100m on completion, has funding from Norwich Union, and provided a £27m building contract for Balfour Beatty. Ropemaker was introduced

Resend

to L & ET by agents Hillier Parker. "I happened to be in Peter Beckwith's office the day it came in. Five minutes later we were in the City looking at the site," Mr Lewis The Developer

says. L & ET's willingness to let this one go may have been conditioned by the expectly of the companies' respective development teams at that point. Mr Lewis is building a

strong project management team. Ropemaker will be managed in-house — some-thing I & M simost invariably does. But its project management ambitions go further than that,

"I am auxious to under-take project management on sciences which we are not seveloping unserves." L & M project managed the Société Générale building at Grace-church Street in the City, and it has another job in Reading. "I have rejected the idea

of ourside project managers for our own developments," Mr Lewis says. "We can do better ourselves, and I am greatly attracted by having the whole range of management inside our organisation so we can keep a finger on the pulse of the industry." On outside work, he says that L&M sees an opportunity in a sector "where we think we can build up, and produce volume." He rejects any suggestion that project management will be used as a cushion to keep the manage-ment team employed.

"I've not had many prob-lems in keeping people employed so far," he says. And what of his relation-ship with Balfour Beatty, parent company and former employer, which invariably seems to get L&M's build-ing work?

"We appoint a quantity surveyor from a range of candidates who will come up with a budget. We then attempt to negotiate within the budget. If we failed, we would go to tender." "I've not had many prob-

ould go to tender."

He sees real value in the working relationship with Rallour, promoted on L&M's side by bringing in the builder at the earliest moment to contribute to the moment to contribute to the design.
On costs, he says: "It would be naive to say that we could not shade our prices by a very small percentage in the marketplace. But with most contracts, the sum tendered is inevitably not the final amount. Here, the budget and the final account are very



David Lewis, chief executive Ilm Thornton, managing of London & Metropolitza director of Ashby & Horner Estates Team Contracts

Speculation on fitter furnishing

The Architect

FITTING OUT a new speculative devolopment, only for the occupier to tear out the interior and start over again has irritated many in the property

business. Mr John Bevan, of architects GMW Partnership, thinks that many developers want a "spec" building which is all things to all people, so that letting agents can bave the maximum scope.

"Agents like a marble entrance hall, bronze mirrors in the men's lee for emphasising sun tans and clear mirrors the ladies for making-up," s quips. Speculative offices should be

fitted out only as shell and core before the space is let, but prototype areas of options should be installed on a show floor, illu-

needs. Often the spec scheme has to be stripped out, and other fittings installed at great cost and in a rush.

The funder will often specify the standard of building re-

"However, if it is pre-let to o big name like Boots, Marks & Spencer or Safeway, the occupier will be in a position to specify what be wants the developer to build," Mr Bevan says. In industrial buildings re-

searchers are rarely conscious of their suroundings and prob-ably not worriod whether they are surounded by glass, plastic or brick.

or brick.

"Brick is often talked about as a high-tech material," says Mr Bevan. "There is nothing wrong with brick, only in the way that it is used. The same applies to plastic and glass."

Much depends on whether a client wants an image. For a particular to the control of t example, STC had operated on a 27-acre site at Foots Cray for years in sub-standard boildings developing high - technology products. GMW were asked to

design a now water fabrication plant and support offices.

sion schemes another.

He sees a lot more to come in the funding area — innovations which will affect occupiers and investors, as well as developers. RE says the creation of an active market in unitised property investing ments within five years now installed on a snow floor, illustrating different rental levels, Mr Bevan says.

Mr Bevan says.

Mr Bevan says.

Some agents say clients want plant and support offices.

Abont 150,000 sq ft of office and production space were planned to a bigh specification but also to give the site a progressive and confident image, appropriate for a company does not always work because different clients have different products in world markets.

The project. which is now The project, which is now under construction is pre-dominantly in white surfaced metal panels with clean flowing lines, says Mr Bevan. Details

Designs on high standards

The Contractor

THERE IS nothing new THERE IS nothing new about contractors moving into property development. However, Ashby & Horner has been around in building for 250 years, and it took a suitably cantious view of its cutry into property development last week.

ment last year.

Known for its contractor's expertise in City of London returbs, A & H went to Hammersmith in partnership with Russell hanagement (Pro-perties) to develop Vernon Mews, five self-contained office units totalling 8,500

office units totalling 5,500 sq ft.

Mr Jim Thornton, managing director of A & H Team
Contracts, says: "The decision to move into promotion of developments was prompted by a concern to have more control over tho workload, a desire to enhance profit and the discovery that profit and the discovery that being a work-giver eases relationships in the building

relationships in the building team."

A & H also believes that it can have a positive input into the design of its developments. "The market is becoming more selective,"

Mr Thornton says.

Team Contracts acts as project manager. It does not carry out design work but selects the design team fareach project with great care and expects consultants to work closely with A & H's craft subsidiaries on specifications and detailing. cations and detailing.
"There is no reason why

good design should cost sig-nificantly more than bad design," Mr Thoraton says. Any premium on building cost is compensated for by an enhanced sale price and a faster takeup."

Banked up for better analysis

MOST OF Mr Rupert Nabarro's economic work for government departments before he went to consultants Roger Tym to do the same sort of work. He moved same sort of work. He moved into urban development and inner city issues in places like Glasgow and Liverpool, and noted that there wos o great deal of information about public money, but little on the private

He became interested in the quality of information available to the property industry. "The classical economist's role of

classical economist's role of improving information available to markets was urgently required in the property industry," he says.

The result was the Investment Property Databank, established to hold a record of the individual property investments of the major institutions. Information is beld on a confidential basis so it is not possible to recognise the performance of any individual property or fund.

or fund,
IPD is being funded jointly
by agents Chesterions, Cluttons,
Debenham Tewson & Chinnocks,
Drivers Jonas, Savills and
Weatherall Green & Smith, but the fundings can be bought by outsiders. Mr Nobarro is interested in whether the agents will get most of the benefit, or whether sectors like merchant and investment banks will use it to make their mark on the

property sector.

Three types of information are being collected about each

A description of the institu-tion and fund owning the property, including its beneficiories, size, property holdings, allocation of money to property and means of manag-

A description of individual properties will cover their oddress, tenure, property sector, location, site sinuation, building type, facilities, condition at purchase, age, method of acquisition, vendor and

cost.

An analysis of the main financial variables of each property for 1979-84 wilt cover capital value, rental value and rent passing, its usable and let space, annual capital and revenue expenditure, and (for shops) some details of Zone A returns.

returns.

IPD expects to hold the most detailed record of institutional property to have been assembled. Mr Nabarro expects the dota to answer questions about trends an institutional investment, marketable size and market structure.

It should be able to show trends, perhaps expressed as indices, in rents and capital values for any market segment for which information exists, and show yields in different parts of the market.

The Economist

It will also provide accurate information about rents, vacancies, purchase prices, etc. which can be used for back ground in investment decisions or for research to ostablish relationships between property performance variobles.

Finally, it will provide a portfolio performance measurement service to contributing funds. Their own performance will be tracked against the total of institutional investment and they can compare the perform-ance of any of their own properties with those in the market

at large. The groundwork has been going on for obout a year. IPD expects to have collected records of some 5,000 properties valued at Fbn by the end of August, The first publications of IPD will commence in the hensive analysis service will be launched next spring.



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28,500 sq. it. which can be combined and providing a total of 87,500 sq.ft. Segregated servicing. Office content up to 58%. Self contained office entrance & reception areas with directors' car parking.

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Prudent should shop around

RICHARD ELLIS set up its financial services team a year ago with a brief to look The team's brief was to look

at the revolution in property financing. It has concluded that sale-and-leaseback forward com-nitment agreements with insti-tutions so long the most com-mon approach for most developers, is no longer the automatic choice.

According to the Central Statistical Office, net new invest-ment in property by pension funds and insurance companies in 1984 was some £1.4bn, while total new bank lending to the property sector was some £1.1bm over the same period. "The gap has closed consider-

ably," says Mr Stephen Barter, says. He concedes that the institutions' recent taste for other forms of investment may have something to do with this. But per cent capital allowances on the banks did not have to make up the difference.

Availability of short and medium-term bank finance on a ment such as finance leases and up the difference.
Availability of short and medium term bank finance on a non-recourse or limited recourse basis, combined with increas-

and should shop around, not

development or construction schemes. They define the pro-

jects and reconcile require-ments of client, design team.

main and sub-contractors, sup-pliers and specialist companies.

They have to find the correct method of achieving the best results in terms of cost, quality and time, according to Mr Derek Hammond's APC/PMI group.

The prchitect is traditional

team leader, but surveyors can lay claim where marketing and

funding are concerned and the

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Funding Adviser

ing, but between sources of nance.
RE emphasise that this is not the beginning of another money-push development boom. Banks are selective in their choice of schemes but, for the right pro-

ect, will show imaginative flexibiltiy.
The team found events pushing them into considering tho new emergence of the owner-occupier. In certain locations and for certain types of occupier, the costs involved in buying can compare favourably with these of leasing over ably with those of leasing over the medium term, Mr Barter

applies particularly within enterprise zones, in view of benefits including 100 corporate --debenture - stock basis, combined with increasing use of syndication with and has encouraged many comment has produced a situation where ment has produced a situation occupation in locations outside

Project Manager

quantity surveyor may be most

essentially construction management for an owner-occupier. There are a number of other

disciplines, or mixes of discip-lines, which say they should fill the project management role.

A working party headed by Mr Ian Northen of Capital &

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appropriato when the project is manager.

sponsored developers like Eng-lish Estates and the Welsh Development Agency, where recent valuations in remote locations have produced open-market values considerably less than the cost of develop-ing the building.

However, RE says that pro-vincial owner-occupied developments can be an economic proposition. "We have just done a major warehouse in the East Midlands for an inter-national company," Mr Barter

There may be a natural propression for the team from bere into what Mr Barter calls the "tax property market"—enterprise zones, being one example and business expansion schemes another.

in unitised property invest-ments within five years now seems likely. seems likely. This gets to the hub of the City revolution, Mr Barter says. Merchant banks and

without institutional involvement has produced a situation
where prudent developers can
and should shop around, not
only between methods of fund
many comsays. Merchant banks and
funder will often specify
the standard of building retines, says Mr Bevan. Details
from the financial
sector are exploring this area
from one end of the market.

There has been a reaction to
only between methods of fund
the problems of governmentthe other."

Crown is an important landlord

from this job."

Colourful contrast need not

Interior Designer.

SOME £25m was spent on a 150,900 sq ft neuroscience research centre at Harlow, Essex, by Merck Sharp & Research Labora-

built, the company began to have second thoughts about the internal design. "We bought a parkland-type setting, and wanted an exterior which would blend with it, but we decided that the interior should be completely different," the company said.

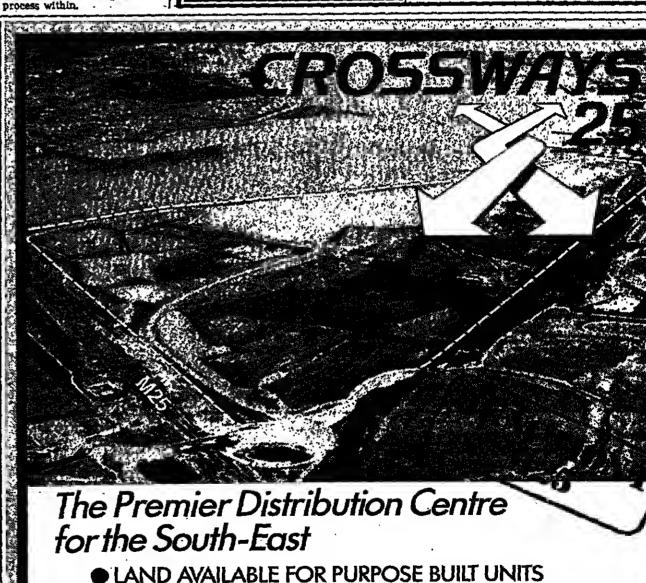
"If it were the same rustic, woody, brick-faced—there would be no change of seeme for the employee in going outdoors."

The working environment for the planned 220 staff had to be efficient, functional and up-to-date—but also pleasant.

Much of the work on designs and detailed specifications by compiliant David designs and detailed specialistics by consultants David.
Leon & Partners was limited to colours, furnishings and accessories because building work was already well under

Leon say that modern industries in general want forward - looking design. "International organisations operate in a sophisticated and dynamic world. They are receptive to the use of inneva-tive materials and tech-nological advances," the designers say.

Merck emphasises that the design decision was taken for the benefit of staff and adds that good design is not such a costly business as some fear.



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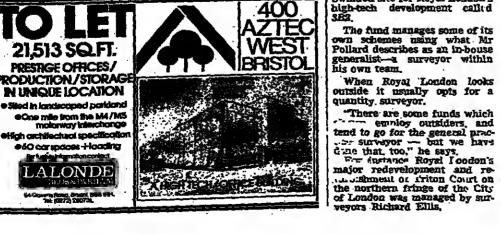




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Contact: B.N. Crowley

LO PORTFOR



Competition to lead the team Countles, president of the plan-ning and development division of the Royal Institution of Chartered Surveyors will look at the development and promotion of the surveyor as project be costly His experience with CapCo suggests that that overall con-trol of a project, especially when it is speculative and brings in the marketing angle, is best

left to the general practice aut-veyor. For construction man-agement the quantity surveyor would probably be best, although he does not rule out an engineer in this role. CapCo was appointed project manager of the Crown Estate's

film Victoria Street office, shop and residential development this year, after the completion and letting of the Commissioners' mixed development at Oxford Street which it also managed. As the centre was being Mr Brian Jolly, development manager, says a development company has to decide whether project management pays divi-dends to shareholders. CapCo does not volunteer for this sort of work for this reason, but the

and the right sort of project can give a useful education. "Victoria Street has been challenging," Mr Jolly says, "We have not been in the vanguard of steel-framed buildings, so we have learned a great deal from this job."

Mr Rodney Pollard, property investment manager at Royal London Mutual Assurance, says the fund occasionally uses a developer as a project manager. This is happening with Mr Ken Cooper, of Russell Management, who found the Swindon site for Royal London's high-tech development called 382

"People associate what is pleasant with cost but you can change the colour of paint and the cost stays the same."

Mattel squares the circle

THE numbers are against industrial development north of AH Wilson Group's Meridian Watford. Geoffrey Castle. Park, flanking the M1 near Leicester. Geographical locations partner of agents Dron Leicester. Geographical locations of the team when nor the content of the content o senior partner of agents Dron and Wright, notes that de-velopers are finding it difficult

to obtain adequate returns.

Because of high interest rates, he says, they have needed a yield of over 12 per cent on total costs. "The rental tevels in many areas north of the South East are little more than 12 per sq ft," he says, "which would not show a sufficient re-turn on building costs, let alone site costs. .

So speculative development, with a view to institutional fundwir's a view to institutional funding, is a very difficult proposition. And the owner occupier? Mr Castle points out the recent valuations for the Welsh Development Agency and English Estates bave produced open market values considerably lower than development costs.

Mr Castle is concentrating of factories, rather than warehouses, and he is not saying that industrial development is impossible north of the Watford line. But it is clear that prospective occupiers, as well as developers, will have to be resourceful.

Mattel, the U.S. toy manuface

n'sourceful.

Mattel, the U.S. toy manufacturir, briefed Richard Etlis to
find o site to house its UK warebousing. operations, finance,
sales, administration, marketing
and o showroom. "We looked
at the M4." says Hugh Ellingham of RE's financial services
division; "it didn't stack up in
terms of cost and 't was in the terms of cost and 't was in the wrong location for central dis-

tion was an obvious first attrac-tion. A greenfield site was the second: "We shouldn't see any redevelopment going on there for 20 years or more," says Mr Ellingham.

on 7 acres of the 72 acre park—
which could be due for an extension. The warehouse is \$80,000 sq ft of tbat, but it is 40 ft high which gives it 2 3.2m cubic ft content which Mattel can exploit with modern racking systems.

Mr Ellingham.

In the down to £22.16.

"Building costs alone are, say £20 to £22 a foot for a standard building," says Mr Ellingham. "Our figure includes iand, building and finance costs, the developer's profit and professional fees."

Then there is the cost per say it down to £22.16.

"Building costs alone are, say £20 to £22 a foot for a standard building." says Mr Ellingham. "Our figure includes iand, building and finance costs, the developer's profit and professional fees."

Mr Ellingham contends that if Mattel bad gone for institutional funding and a lease it would have had to be content with 20 ft of eaves or not much higher, and racking systems costing at least 1; times as

Like Mr Castle he thinks be would have been looking at double figure funding yields with restrictive clauses on any lease, whereas the package which Mattel and Ellis have tied up for the £3.9m building is for a medium term (seven year) Bank of America loan with a three year bollday on repayment of capital and the ability to buy out the loan

early.
"That gives us the ability to lease to someone else and retain the investment; to lease part of the building; to sell the freehold vacant to another occupier; to sell and leaseback;

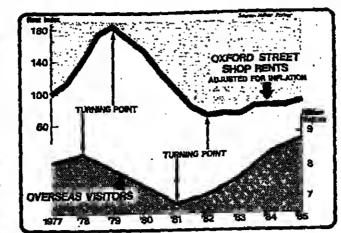
and so on, he says.
In terms of costs, the building's height makes all the difference. Taking in the offices, the cost for the entire building is £40.62 a sq ft. But Mattel has given itself the equivalent of a 176,000 sq ft building in terms of cubic capacity, bringing the cost per sq ft down to £22.16.

valuation. Mr Ellingham has done bis sums on both 8 per cent, and 10 per cent invest-ment yield bases. Again, on the basis of 96,000 sq ft the rent would have to be £3.25 a sq ft on an 8 per cent basis, and £4.06 at 10 ogainst a conven-tional unit rent which be estimates at between £2.25 and

£2.50 a foot Adjusting for cubic capacity Mattel's figures come out at £1.77 and £2.22 per sq ft respectively, which suggests to him that the building will bold the waller. its value.

John Coulter, managing director of Mattel UK, says that the company's total investment will be £4.2m, with its racking and fork-lift trucks all leased.
Other owner-occupiers might spend 2½ times the property cost on the building's contents, making property a less important factor in the overall

Tourist trophy



THE chart above, says Hillier Parker research chief Russell Schiller, shows a clear rela-tionship between the number of overseas visitors to London and the movement of inflation adjusted shop rents in Oxford Street, the prime West End

If this relationship holds, it would suggest that Oxford Street shop rents should con-tione to rise ahead of inflation for the next year, even if the number of overseas visitors peaks in 1985.

Fleet National Bank move

FLEET National Bank, London offshoot of the U.S. Sobn Fleet Financial services group of New England, has taken a lease on 40/41 St Andrews Hill in the City of London in a move which has virtually cut its occupational costs in

Advised by Noel Alexander and Partners, Fleet was last reported to be moving out of 52 Cannon Street where it had

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LE GRAND

Accountant seeks pole position

THE CITY revolution, the scope for takeover bids in the property company sector, the. RICS's unitisation plans, and the emerging problem of obsolescence suggest that the accountant will bave a bigger

accountant will bave a bigger role to play in tomorrow's property industry.

Phillip Sober, recently appointed senior partner of Stoy Hayward, is aiming for pole position. The firm, part of the Horwarth and Horwarth international network of accounting forms craims to be one of the firms, claims to be one of the leading accountants in property

leading accountants in property

"We'll let other people say
that we're No. 1," he says.
On the City revolution, he
thinks that as the financial
services market gets broader
and broader, it will be im
portant for accountants to define
their services more specifically

"to become expert, specialists
in our field...we cant be all
things to all men," be declares.
Adviser to the British
Property Federation since
1973-74, be expects to advise
on takeover, or bid defence
strategy.

leased one floor of 4,060 sq ft and was paying a service charge reputed to be in the area of 28 to 59 a foot. strategy. His strong views on the capitalisation of development interest—"I do believe that area of 28 to 59 a foot.

St Andrews Hill, recently
the subject of a major refurbishment by CNC Developments, gives Fleet 3,200 sq ft
of self-contained, period interest—"I do believe that proper capitalisation is essential in arriving at true costs"—is a reminder, if one were needed in the context of the simmering Stockley/Stock Conversion simuacion, that fashions change in accounting, as well as in the stock market. of self-contained, period space; overall running costs are estimated at just over £100,000 o year against upwards of £195,000 for Cannon

Haslemere signs Merrill Lynch

Trustee Savings Bank Pen-sion Scheme have let the resion Scheme have let the re-maining floors of their new 60,600 sq ft office develop-ment at Sherborne House, 119,121 Cannon Street in the City of London, to Merrill Lynch Europe for close to the 23king rental of £32 per

sq ft.
Merrill Lynch, advised by
Jones Lang Wootton, has
signed a new 25-year lease signed a new 25-year teaso for 23,000 sq ft, in which it will base its UK equities operation. Hillier Parker, Collier & Madge and Gerald Archer & Co acted jointly for

Haslemere and TSB Pensions.

Woolgate Property
Finance, in the first deal
since its team left Chase Hanbattan, has arranged a £5m
syndicated bank and equity
Forence facility for Sheraton finance facility for Sheraton finance facility for Sheraton Securities International, to develop some 70,000 sq ft of high tech space next to British Caledonian head-quarters at Crawley, West Sussex.

 This week, as the London Borough of Havering decided to nominate J. Sainsbury/ to nominate J. Sainsbury/ Trafalgar House as the coun-cil's preferred development team for the Mercury Gardons site in Romford town centre— incorporating a 75,000 sq ft superstore, speciality shop-ping and parking for 1,000 cars—Tesco got planning permission on appeal for o 65,000 sq ft superstore with 600 car park spaces on a seven-agre site at Roneo

orner.
The council, advised by
Parker, had Hillier Parker, had apparently bitten the bullet on superstore provision; but it wanted its sites scattered. rather than centralised as the Tesco permission seems to achieve. King & Co acted for Roneo Alcatel.

· Record demand for office accommodation and severe accommodation and severe is reported by Drivers Jonas in its half-yearly "Aberdeen Commercial and Industry Property Survey."

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Langley-Taylor, acting for Sears Holdings and Samnel Properties as joint investors, have let a 210,000 sq ft affice development close to Los Angeles International Airport to Hughes Aircraft Corporation. Marketing began less than three months ago and the rent is in the region of \$20 per sq ft.

Following its takeover of Trident Life, already based in Gloucester, Imperial Life Assurance of Canada is to establish a new 100,000 sq ft headquarters office on the city's 70 ocre Barmwood Fields site, say selling agents Bruton Knowles. Debenham Tewson and Chinnocks acquired the seven-acre sito for its Canadian principal.

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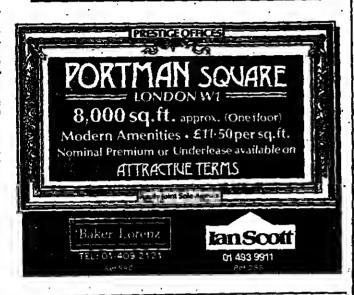
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NOTICE IS MERCRY GIVEN that the eights winth annual general meeting of members will be held in the board room, 2nd Sour, 25 Wellington Road, Fark-lane, on Friday, 25 October, 1985 at 8 am.

J. W. MACKENZIE J. A. F. WHITE

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GENERAL MOTORS CORPORATION

Further to the DIVIDEND DECLARATION of 22nd August, 1985, NOTICE is now given that the following distribution will become payable on end efter 16th September, 1985, egainst presentation to the Depositary (as below) of Claim Forms listing Bearer Depositary Receipts.
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With reference to the notice of declination of dividend advertised is the frees on 21st August, 1985 the following information is published for holders of share warrents to beaver. The dividend of 15 cents per share was declared in South African currency. South African non-resident shareholders the mt 1.7523 cents per share will be deducted from the dividend payable in respect of all share warrant coupons teaving a not dividend of 13.2477 cents per share. The dividend on bearer shares will be paid on or sites 1st November, 1865 against autrender of Coupon No, 75 detached from their wertasts to bears.

(a) At the offices of the following continental paying agems:
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roeze Priris
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ment so made can only be given to such authorized dealer by the condenntal paying agent concerned.

(b) At the Securities Department of Hill Samuel & Co. Limited, 45 Seach Street, London ECZP 21X. Unless persons depositing coupons at such office request payment in rand to an address in the Republic of South Africa, payment will be made is United Kingdom currency ather:

(i) in respect of coupons lodged on to prior to 25th October, 1985, at the United Kingdom carrency equivalent of the lead currency value of their dividend on 5th September, 1985, or

(ii) In respect of coupons lodged after 25th October, 1985, at the United Kingdom carrency equivalent of the lead currency value of their dividend on 5th September, 1985, or

(ii) In respect of coupons lodged after 25th October, 1985, at the preveiling rate of extrhange on the day the proceeds are remitted, through an authorised dealer in acchange in Johannesburg to the Securities September and the first and the securities of the securities o

South African Carrency cents per share 15,0000 13,2477 Lose: UK income tea at 18.318% on the grass

For and on behalf of ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED London Secretarian

to state:
Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South Africas are-resident sharsholders' tax applicable to the dividend is nilowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 18,318% Instead of the basic rate of 30% represents an allowance of credit at the rate of 11,882%,

De Beers

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(CORM)
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1985.

Ject to approval of the dividend, further soutce will be published large the amount and actual date of ment of such dividend southern to be obtaining symmetric thereof as soon seatificable after receipt of the dread by the December, men No. 11 will be used for the country, men No. 11 will be used for the dividend.

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(Hetional Oil Exploitation Company)

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Exhibition also includes engr

artists. Ends Jan 11.

by Durer, Rembrandt and Japane

adua: Palazzo della Ragione: Halley and Giotto in the Cosmos. The first

stop for an exhibition celebrating Halley's comet. Examples of the so-

trace and examine the comet. Ends

NETHERLANDS

evolution from the single cross used

almost as an afterthought to the high reliefs of the later panels. Ends

instrating set design, costumes stage machinery, and the use of gas

Exhibitions

Medieval Art in Paris: The Abbots of in gold on red velvet. In a rotunda of its own is a set of the Lady and the

Cluny built their magnificient late Gothic town house in the heart of the Latin Quarter on the blackened ruins of Roman Baths. Now a mu seum, it houses medieval works of art Goldsmiths work, carved altar-pieces, ivories, fabrics, with two En-plish Royal standards embroidered

biggest assembly of his works ever. Ends Oct 27.

Perfume: An enchanting exhibition in praise of perfume assembles 550 objects, mostly phials, bottles and perfume fountains from the 16th to the

19th century. Some were made of Viennese porcelain, others of Bo-

hemian cut glass or from gold and enamel in England. There are silver

pomanders with petals opening up and Cheisea china statuettes. They

and some of perfume's power to be-

guile. Le Louvre des Antiquaires, 2 Place Palais Royal. Ends Sept 29. Minich, Villa Stuck, Prinzregentenstr.
60: A retrospective of the works of Otto Dix with 472 oil paintings, neuarelles, graphics and drawings from between 1891-1869, it is the

allegory of the five senses, one of the masterpieces of medieval art.
Musée de Cluny, Place PaulPainleye, Métro Odéon.

Hildesheim, Römer und PelizaeusMuseum, Am Steine 1-2: Nofret, the exhibition covering Women to
Egypt. For its last store in Germanus.

Ends Oct 21.

Enden, Ludolf Backhuysen-Gesellschaft, Rathaus am Delft retrospective of Ludolf Backhuysen, born in Emden, with his characteristic sea and city landscapes from 1631 to 1708. Ends Oct 15.

an extra so, some so objects are on loan from the Egyptian Museum in East Berlin. It is the higgest assem-bly of Pharoan Art. Ends Nov. achen, Suermondt-Ludwig-Museum, Wilhelmstr. 18: 100 drawings, water colours and plastics from Joseph Benys, covering the fifties and sixties. Ends Sept 29.
Essen, Villa Huegel, Auf dem Huegel

an extra 96. Some 30 objects are on

Turkish culture and art from the Os man Empire. 500 works ranging from the 15th-19th centuries. The show includes glass, carpets, ceram-BRUSSELS

Opera custumes from 1959 to the pres-ent including Zeffirelli's Rigoletto, Bosquet's Traviata and Karl Ernst Herreman's Clemency of Titus. Mu-sée de Costumes et Dentelle. Until

ITALY

lorence: Museo Archeologico (Piazza SS. Annunziata) – The Etruscan

The Fourth Hagne Bach Festival com-memorates the tercentenaries of Bach and Händel. Chamber music from the La Petite Bande ensemble in the Schönberg Zaal of the Royal

Civilization: This is the first of long series of exhibitions to mark The Year of the Etruscans, and shows the results of the most rec esearch into the Etruscen world. A second history of this civilization's

Rome: Palazzo Venezia (Piazza Venezis 3): Paesaggio Con Nigura - 57 works from the Borghese collection. The Villa Borghese, which houses one of the best patrician art collecone of the best participan art conscitions in Rome, is likely to be closed for repairs for at least another year and some of the gems from the collection have been transferred to this site for the summer. Includes works by Titian, Veronese, Domenichino, Caravaggio and Dosso Dossi. Ends

Sept 30.

Milan: Palazzo della Triennale: Alfa

Milan: Palazzo della Triennale: Alfa Romeo: A celebration of the companys first 75 years with photographs of key figures from its past, with project designs and vintage models. Ends Oct 30.

za: A History of Spectacles. More than a hundred pairs of glasses than a hundred pairs of glasses from the Zeiss foundation (in E. Germany). This is the first time the

> Goldschmidt. Bach. Musikverein Brahms-Saal. (Tue and Wed). Mozart Boys Choir. Mozart, Haydn, Schubert. Evangelische Kirche. (Wed). Gemencic Consopt led by Rene Cle-mencic. Handel. Musikverein mencic. Handel. Brahms-Saal. (Thur).

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portfolio management, distin-

Orchestra conducted by Akeo Wata-nabe. Jean-Jacques Kantokow (viol-in), Mari Fujiwara (cello): Brahms, Sibelius, Toyama, Tokyo Bunka Kaikan (Tue) (8806080). Panocha Quartet: Mozart, Schubert, Dvorak. Tokyo Bunka Kaikan, Small Hall (Wed). (2351861).

Madrid: King Juan Carlos will inaugu-rate an exhibition of 100 paintings, drawings and waxes by Spanish cu-bist painter Juan Gris. The selection

includes paintings from private col-lections and museums in the U.S. and Europe, Hiblioteca Naciona la Picasso, Madrid.

Amsterdam, Stedelijk Museum: Pos-ters illustrating the work of a new generation of Japanese designers and art directors. Ends Oct 27. Nijmegen, Commanderie van Sint Jan: From 1960 tn 1974 Joseph Betys made a trademark of crosses done in brown paint. The present Braumkreuz exhibition traces the Vienna 1870–1930: Dream and Reality: The greatest names of the Vienness fin-de-siecle – Klimt, Otto Wagner, Schiele, Kokoshka, Aldolf Loos, Josef Hoffman – to a dazzing display of Jugendstil creative genius. The attempt to integrate the artistic ements of this era with philocophical developments (notably Wittgenstein but also Freud) and poglimpse behind the scenes of 18th-century opera production, with prints drawings and scale models il-instrating set design. and censored reality on the one hand and the illusions or fanissies of individual artists on the other is

hinted at but not fally explored. A high point of the show is a recun-struction of Hoffman's room at the

ession exhibition of 1902. Here, phantly restored is Klimt's fifty-foot Beethoven frieze depicting humanity's progress through suffering to joy on the theme of the Ninth Symphony. Displayed exactly as in-tended, this alone is worth a special visit. Konstlerhaus. Ends October 6.

Martigay: Fondation Pierre Gianadds: 250 Klee paintings in the striking modern gallery built over the Ro-man ruins of the city of Octodurus.

Metropolitan Museum of Art: The traletropolitan Museum of Art: The tra-velling show India, arrives from Washington with 350 examples of six centuries and numerous flour-ishing periods of art and craft. Ends

from the larger Royal Academy exhibit, this view of Edward Lear's prolific career covers not only the famous illustrated limericks and

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al Museum of American Art: 35 paintings by Alexander Hogue cap-ture the American Southwest through dustbowl and prairie in from the 1920s to the present. Ends Nov 3. highly stylised evocative

TOKYO

Spanish Paintings of the 16th and 17th centuries: 45 oils by masters such as El Greco, Murillo, Velasquez, Zar-El Greco, Murillo, Velasquez, Zin-baran. Religious paintings domi-nate, but the exhibition is well be-signed, heavy, dark paintings re-lieved by the light decor and simple lines of the gallery. The bizarre but powerful Bearded Mother of Josede Ribera is interesting. Selbu Art. Bu-seum. Seibu Department Store. Robusture branch. Ende Oct. 18 Ikebukuro branch, Ends Oct 13.

odigliani: 130 works in oils, water Museum of Modern Art, Kitanomaru Park (near Palace and Imperial Hotels and parts of Tokyo's easis near the Imperial Palace). Ends

Music

LONDON

Ivo Pogorelich, piano: Bach and Chop-in, Barbican Hall (Mon). (638 8891). Philharmonia Orehestra conducted by Giuseppe Sinopoli with Andrei Gavrilov, piano. Bach, Bach/Webern, Ravel. Royal Festival Hall (Tue). (9283191).

London Symphony Orchestra conducted by Gerard Schwarz with Carol Resemberger, plano. Beethoven and Rosenberger, piano. Beethoven an Stravinsky. Barbican Hall (Thur).

Washington's National Symphony Orchestra conducted by Mstislav

(563 8873).

(563 8873).

Somteverdi Choir and Soloists, The Monteverdi Choir and Soloists, The English Baroque Soloists. John Elot Gardiner: Händel's oratorio – Israel in Egypt (Mon). TMP-Chatelet (2334444).

conducted by Heinrich Hollreiser. Bruckner's Symphony No 5 (Tue). Théatre des Champs Elysées.

Mendelssohn - rauses Severin Church (8338781). Severin Church (8338781). niel Barenboim. Jessye Norman, soprano, Gary Lakes, tenor, Matthi-as Hoella, bass: Wagner (Wed). Salle

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TTALY

Venice: Gran Teatro la Fenica (mu Venice: Gran Teatro la Fenice (music blennale): A concert conducted by Pierre Boulez, with Phyllis Bryn-Julson (Mon); Boulez includes Be-rio's Circles and Le Marteau sans Maitre be Boulez (Tue). (25 191). Milan: Teatro Alle Scala: Carlo Maria Giulini conducts the violinist Salvatore Accardo to Beethoven and

laan 1). (Tue); and from Sonata da Camera in the Gotische Zaal (Pal-elsstreat 3). (Wed). Händel's Acis elsstreat 5). (wed), riangels Acis and Galatea in the Nieuwe Museon (Stadhouderstaan 41), directed by Mireille Pedauge, with Chris Farr conducting the Camerata Amster-

dam (Thur). (556806). ed by Edo de Waart, with Theo

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Strategies for Growth

hamber Music with the Vienna Bach Soloists. Bach, Händel. Minoriten-kirche (835575). (Thur).

Chicago Symphony (Orchestra Hall): Sir Georg Solti opens the season with cellist Lynn Harrell in a pro-gramme of Tchaikovsky, Shostako-vich, Besthoven (Thur). (4358122).

NEW YORK

New York Philharmenic (Avery Fisher
Hall): Zubin Mehta conducting, Garry Graffmann, piano. Korngold,
Schubert (Tue); Zubin Mehta conducting, Nikita Magaloff piano.
Schnittke, Rachmaninoff, Stravinsky, Tehaikovsky (Thur). Lincoln
Center (874-2424).

Caraegie Hall: Vienna Philharmonic
conducted by Lorin Mazzel, Mozart,
Stravinsky, Brahms (Thur).

Theatre

As is (Lyceum): The first play about AIDS makes gestures toward the whole community the disease affects and focuses effectively on the victim and his protective lover; but this Circle Rep production also has distracting artistic touches to patch over the play's lack of development once the disease is diagnosed. (2396200).

(238 5200).

'm Not Rappaport (American Place):
A better title might have been
Mensch on a Bench for Herb Gardner's touching, furny and invigorat-ing play about two oldsters en-bodied in Judd Hirsch and Cleavon

Little who almost conquer the world when they think they are just hickering with each other. (8394731).

Cats (Winter Garden): Still a sellout, Trevor Num's production of T. S. Eliot's children's poetry set to trendy music is visually starting and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality.

(239 6262).

42md Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like. Shuffle the support of th Off To Buffalo with the appropri-

Off To Buffalo with the appropri-ately brash and leggy hoofing by a large chorus line. (977 9020). Brighton Beach Memoirs (48th St): The first instalment of Neil Simon's mix of memories and jokas focuses on a Depression-era Jewish house-hold whose young Engene fally suck-

wardly in love with his cousing (221121).

A Choras Line (Shubert): The longestrunning musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions.

Count of Monte Cristo (Eise

The second production of Peter Sellars' new American National Theatre company is the James O'Neill version of this swashbuckler. NETHERLANDS Amsterdam, Carre Theatre: Ik Jan

Cremer, a new rock opera charting the amorous exploits and general hell-raising of the Dutch enfant terrible of the 1960s. Directed by Franz Marijnen from a script by Lennart Nijgh and Louis Ferron, with score by Gerard Stellaard and Peter Tuinman in the title role (Tue to Thur). (225 225).

Lanren Pacall elegantly decadent as Tennessee Williams's doomed movie ueen. Harold Pinter's direction and queen. Harold Pinters direction and Eileen Diss's evocative designs con-tradict the play's lopsided reputa-tion and place the central tussle be-tween the star and her gigolo (Mi-chael Beck) against a detailed can-vas of small town Southern venge-fulness by the sea (£309632).

Noices Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blake more's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor.

third-rate farce is a key mana-(836 8888).
Andrew Lloyd Webber's rollerskat-ing folly has 10 minutes of Spiellorg movie magic, an exciting first half and a dwindling religate on indiscriminate rushing around. Dis-neyland, Star Wars and Cais are all influences. Pastiche score nods to-wards rock, country and hot gospal. No child is known to have asked for his money back. (834 6164).

his money back. (634 6164).
On Your Toes (Palece): Rodgers and Hart's 1936 musical is a genuine tunic. American jazz dance collides with the Ballets Russes. Gems include There's a Small Hotel, Glad to be Unhappy and the Balanchina ballet for Slaughter on Tenth Avenne.

2nd Street (Drury Lane): No British equivalent has been found for New York's Jerry Orbach; but David Merrick's tap dancing extravaganza has been raphrously received. American Clare Leach is a real find as ean Clare Leach is a rem ind as Peggy Sawyer, and Margaret Courtenay has a field day (336 8189). Me and My Girl (Adelphi): Sleek, efficient and enjoyable revival of Britain's biggest war-time musical hit with Robert Lindsay in the Lupino Lance and engagements as the best new

musical star since Michael Crawford. (836 7811).
The Government Inspector (Olivier):
Striking but unfunny revival with
under-equipped TV comic Rik Mayall playing the poseur as a shricking
nose picker. Richard Eyne's production for the NT lacks either comic
tansian or true delirium but, with tension or true delicitor but, with John Gunter's imposing design of bureaucratic bumf, the show has a sort of monumental starkness as well as nightmarish tedium. New

(9282252).

saraum (Victoria Palace): Michael

Crawford returns to London with
his breathtaking performance as
the circus impression, adding one or two new tricks in a likeable mer-

two new tricks, in a likeable meringue of a musical. (8341317, credit
cards 8224735).
Jumpers (Aldwych): Confident almost,
sober revival of Tom Stoppard's glittering comedy of love, murder and
linguistic maybem among the logical positivists, with Paul Eddington
a more earthbound George Moors II
than was Michael Hordern, Felicity
Kendal delightful as his retired musical comedy wife. Peter Wood di-rects. (8366404, credit cards

379 6233). Richard III (Barbican): Last year's Stratford-upon-Avon production with Antony Sher demonically exciting as Richard in the RSC revival by Bill Alexander. Plays in repertury with Roger Rees as Hamlet and Kenneth Branagh as Henry V. All the Roger Rees as Hamlet and Kenneth Branagh as Henry V. All the Roger Rees as Hamlet and Republic Research (No. 1714).

636 8891).

Breaking the Silence (Mermaid): Another RSC transfer of Stephen Poliakoff's account of his family's amigration from post-Revolutionary Russia, Alan Howard succeeding Daniel Massey alongside Jeany Agutter, Ingeniously set in an Imperial railway carriage. (236 5588).

Opera and Ballet WEST GERMANY

Berlin, Deutsche Oper, Schubert lieder recital with Dietrich FischerDieskau accompanied by Hartmut
Höll, Fidelio is a Jean-Pierre Ponnelle production with Peter Hofmann as Florestan and Deborah Polaskid, Cosi fan tutte, sung in Italian,
features Angela Denning and Alejandro Ramierez. The Magic Flute
rounds of the week. (34381).
Hamburg, Staatsopera: Der Barber
von Sevilla, with Rachel Joselson
and Ruggero Raimondi. La Bohème
has Katia Ricciarelli excelling in the
part of Mimi. The Magic Flute is a
well-done repertoire performance.
Kurt Moll is brilliant as Osmin in
Die Entführung aus dem Serall.

Houlander is coadurated by Junith Sonogi. Berlior' Die Trojaner re-turns. Dido and Aeneas has Glenys Linos and Valentin Jar as leads. Al-so, Der Zigeunerbaron. (25 621).

r: Smetana's Die Verkaufte Braut conducted by Kout with Popp, Lotte Rysanek, Ridderbusch; Cost fan tritle conducted by Kout with Coburn, Daniel, Watson; La Traviacted by Segerstam; Rai-y Glasmov and Nurejev (53 24/26 55).

(522420-35).

lolksoper: Kalman's Die Csardasfuerstin; Die Fledermaus; Die Verkaufte Braut; Lortzing's Der
-Wildschütz Miloeckar's Der Betteltudent. (5324/2657).

NETHERLANDS

Netherlands Opera launches it new season with a double bill. Zemlinsky's Geburtsdag der Infantin and Dallapiccola's Il Prigioniero directed by David Allen, sets and costumes by Prank Raven. Edo de Waart con-ducting the Netherlands Philhar-monic, the Opera Choir under Jo-hannes Mikkelsen. Casts headed by Neil Rosenshein and Thea van der

Utrecht, Muziekeentrum Vredenburg-Dance of the Nagas from India (Tue). (314544).

PARIS

a Belle Hélène conducted by Yan Pascal Tortelier/John Eurdekin in Pascal Tortelier/John Burdekin in Jerome Savary's production with Sandra Brown/Madelyn Renee in the title role, Jerome Pructt/Georges Gautier as Paris and Marie-Christine Porta/Veronique, Dietschy as Oreste inaugurates the new season at the Opera Comique, (296 0611).

SPAIN

Seville, The Soanish National Ballet.
Concerto Barroco. Choreography by
George Balanchine to Bach: Claustro del Monasterio de San Jesonimo

to del Monasterio de seasone de Buenavista (Tue).

Garid, Real Madrid football stadium:

Open Alt concert. Free entrance, or

ganised by El Corte Ingles, presents

Luis Cobos conducting the Royal

Philharmonic Orchestra with populations of the concern of the co lar Spanish music: Pasadohlas and Zarzuela arranged by Cobos. Ameri-can Robert Mandell will conduct orchestra to accompany Spanish tenor Jose Carreras. Repertoire will in-chide West Side Story. Spanish bal-let dancers, arranged and mares-graphed by Carl Davis. (Tue).

letropolitam Opera (Opera House). Tosca conducted by Carlo Felice Ceillario with Monserrat Gaballe. Luciano Pavarotti and Cornell Mac Neil opens the new season, follows by Jenuia conducted by Vaclay Ne mann of the Czech Philharmonic and Falstaff in Franco Zaferellia production conducted by James Lavine Lincoln Center (382 5008). New York City Opera (NY Sta Frank Corsaro's new production The Love for Three Oranges has the sets by Maurice Sendek created for Glyndebourne in 1982. It features Diana Walker singing Minetta, Joyce Castle as Fata Morgana and John Lankston as Truffalding conducted by Christopher Keene. Manon, conducted by Jose Serabiles, was last seen to this production by was last seen to this production by Tito Capobianco in 1980. The was includes La Cenerentala and Car

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the spenning come than Killing Ten Plendon Philipse and Orefterstel My northe tackle Wi London Tel spirite human deral mant 😤 interpretation god the bestrand Here, the erners diplicate and the tong forest beland

> graphe distribution of the a many one referration Buch Berriette

MOS

AGUA Y INTERNA

Cinema/Nigel Andrews

Knaves, nasties and knives

Body Double directed by Brian de Paims Queen Kelly directed by Erich von The Official Version directed by Code of Silence directed by Chuck

This is a week for films maudits: those banned, lopped, minutes: those banned, topped, censured, censored or otherwise "infamous" movies that we often love so much better (like the misbehaved child or delinquent dog) than movies that behave primly and properly.

Brian Da Palma's Body Double has already been sub-jected to the shocked snippings of our Board of Censors: that wondrous institution whose re-sponse to films in which peopla are hacked about with sharp instruments is to hack tha films about with sharp instruments. So with sevaral offending moments in De Palma's muit-layered thriller of sex, murder and voyeurism. The director of and voyeurism. The director of Carris and Dressed to Kill made Body Double as a delibertaly "outrageous" personal contribution to the videonasty style of exploitation film. But with De Palma, of course, a video nasty becomes a thinking man'e video nasty.

The plot is a magnificently convoluted hall of mirrors. A young ont-of-work actor (Craig Wasson) is hired to house-sit a departing friend's luxury hilltop pad, from whose picture-window each night he espies alarming things: notably a strip-teasing girl neighbour and a naked welder who will turn out to be a driller killer. He pur-sues and is pursued by these figures during the day. And as surprise, terror and hallucination choreograph his waking hours, be wonders if he is being "set up," as witness or victim, for an elaborate crime plot.

There is nudity, there is vio-lence, there are even scenes in and around a porno film set But right from the start the movie does a vertical take-off from the mire of meretriciousness into the aether of mystery. The ever-twining camera, the metalically gleaning colours, the astonishing sets (including the glassed and shimmering hillop house like a space sta-tion) give the film a constant trompe i'oell scintiliation.

And thematically its virtue is And thematically its virtle is that it is as much about the Satanie mills of violence and sexuality as a product of them. Its subject is the voyeur in all of us; that evil jungeed Id compounded of the curious and covetous that can follow its prey that interior that the curious is that can follow its prey that its prey that its prey that its prey that it is that its prey that it is that its prey that it is that it i as circuitously but single-mindedly as De Palma's ever-



Gloria Swanson and Walter Byron in " Queen Kelly "

1929 romp which fell foul of failing cash and was never completed. It had already cost producer Joseph Rennedy Sym, at which point Mr K (later a President's father but better known then as Gloria Swanson's lover) "pulled the plng," in modern parlance. Among those gurgling out with the bathwater was Miss S herself. As the convent girl who becomes a Queen (via running a brothel in Dares-Salaam), she bad bad one too many arduous or outre demands made of ber hy the demands made of ber by the director. . But the one-third of the

planned story completed by Strobeim is surprisingly selfsufficient: especially in this revamped version restoring a few lost ahots and filling vital narrativa gaps with production stills and commentary. A potentially preposterous tale of randy Princes, mad Queens, fallen bricket and cretic hendelleste. knickers and exotic bordellos is dignified by Strobeim's sumptuous sense of decor and detail, Kennedy must have felt his bank balance shudder when he saw the palace banquet scene; awash with tapestries, candela-bras, crystal glassware, liveried servants and food that definitely looks eatable rather than from the prop cupboard. And Gordon Pollock and Paul Ivano'e photo-graphy, silvered and soft-focus, turns the tale's middle European kingdom into a mystie Montsalvat.

There is also Miss Swanson, Who more likely, in a crocodile of convent girls taking the country air; to attract the eye of

Stroheim's Queen Kelly. This Byron) and a night of drunken historical event) and the genwas mad Erich's extravagant romance in his bouddir. And eral (tha "official history" of a 1929 romp which fell foul of from there, an even shorter step failing cash and was never to ber being borsewhipped out room).

There are coruscating scenes.

(Seena Owen).

All this — and the sweet revenge of har own later rise to royalty — Swanson negotiataa with glittering eye and stalwart chin. She tends to resemble Boadicea or Joan Sntherland after a crash course at the beanty parlour. No wonder she never stayed at the top as a star: she is far too strange, wilful and magnificent. wiftil and magnificent, Popular cinema prefers the pliant type, and the idea of Swanson, Stroheim and Pa Kennedy all together in one project was clearly far too much for Hollywood and history to handle

Luis Puenzo's The Official Version from Argentina is a film maudit manqué. Five years ago this tale of a lady history teacher (Norma Aleandro) who wonders if her adopted daughter is the child of one of the desparecidos—the thous-ands of men and women who vanished into oblivion in the junto's wave of arrests and killings—would have been censored senseless or not even made. Now it can be seen and exported and even win prizes at festivals (Best Actress for Miss Aleandro at Cannes). It shakes the repressed tears and screams out of a country still recovering from life under the Generals, and from the bequest of bereavement left by the "disappeared ones."

It also examines the way mindedly as De Palma's evertracking camera.

*

Even more of a movie maidit
in its day was Erich von

stracking camera.

*

Country air, is attract the eye of a passing Prince, with or withsociety can write or re-write its
out help from falling underwear? From there 'tis but a La Historia Official suggests
short step to her willing abduetion by his Highness (Walter cial version" of a political or

room).

There are coruscating scenes, like that in which a friend of Miss Aleandro's, torn by tears, relates the night of her and her husband's arrest. There is salire both night and deadare. bushand's arrest. There is saline both pin-sharp and deadpan (especially in the classroom). And there is the sense of a country waking to a naw dawn only to find that many of the borrors of yesterday are still hanked up in the clouds above them, waiting for release in truth and trauma.

The week's one uncomplicated commercial offering is Code of Silence, starring former world karate champ Chuck Norris. Mr Norris, whose sensitive hlue eyes peer out over a beard that looks as if he bas had an accident with a hird's nest, plays a U.S. narcotics detective having problems with the following: Henry Silva (Hispanie drugthan I remember Trupesties to be, stretching the tonal refather), a platoon of squaddles who turn against him after he gives evidence against a corrupt colleague, a runaway robot tank, several shoot-outs, and the fact that the entire film seems to have been stuck together from chips off old Hollywood blockbusters like Builitt and

blockbusters like Bullitt and The French Connection.

Nonetheless it goes with a fair swing and has some pithy dialogue ("When I want your opinion, I'll beat it out of you"), And for connoissents of the unspeakable, there is also the fearsome "Colombian necktie." This, a Silva speciality, consists of a lightly perforated jugular through which the tongue is pulled en cravate... And who says you have to go to Brian De Palma for gratuitous violences

Pennsylvania Ballet

David Vaughan

The National Choreography their sleek lines, long exten-Project was initiated in 1984 with the purposa of matching up dance companies across the United States with choreographers with whom they wished to collaborate. (David Gordon's Piano Movers for Dance Theatre of Harlam, reviewed here on August 12 was up dance companies across the United States with choreographers with whom they wished to collaborate. (David Gordon's Piano Movers for Dance Theatre of Harlam, re-viewed bere on August 13, was Even so, one may surmise that in this case Cunningham had tha Pennsylvania dancers in mind — as one watches, for instance, the opening section in which the alow extensions of a commissioned undar its aus-pices). The Pannsylvania Bal-let, one of America's best national companies, elected to work with Merce Cunningham, group of four women are con-trasted with an almost acrobatic no less. Arcade, his first new ballet for a company other than his own in more than ten years, series of lifts and catches per-formed by a female soloist and received its première et the ele-gant Academy of Music in Phil-adelphia on September 11. The formed by a female soloist and three partnars. Later, there is a more sustained adagio sequence for Veronica Lynn and Edward Myers, their movements echoed by three subsidiary couples. Unlike many bellet choreographers, Cunningha mnever does quita what one might expect, and the ballet ends on a charactaristic note of mystery, with two couples left ballet will later go into the Cuoningham company's reper-tory, and was in fact eboreographed on his dancers, then taught to the Pennsylvania company by Cunningham and his assistant, Chris Komar. It is often said that many of mystery, with two couples left o nstage who seem about to continue the work rather than

Cunningham's movements have of a balletic flavour. His own condancers are justly noted for condancers are justly noted for conditions.

The Pennsylvania dancers acquitted themselves nohly, as though grateful for the challenge presented by the unaccuse tonal partnering. They even seemed unperturbed by the experience of performing to excerpts from John Cage's Etudes Boreales, brilliantly performed by the pianist/ percussionist Michael Pugliese, which, as always, with Cunning ham, proceeded independently of the dancing. Neither that choreography nor the design make any literal reference to that title: Dova Bradshaw's set features a single white pillar, to the left of a backcloth with three grey rectangular panels of unequal size, on a whita background. The dancers are three grey rectangular panels of unequal size, on a whita background. The dancers are dressed in leotards and tighta in alate grey and blue, daubed with white x's.

Cunningham's Ironically, ballet was far more ausiere and "classical" than the more ambitious of the other two new ballets on the programme, Richard Tanner, formerly with New York City Ballet, now limit.

was better.
Robert Weiss, the company's artistic director, contributed Octes for Strings, a tedious sub-Balanchine exercise to the first movement of Mendelssohn's opus 20. One hopes that he will not be tempted to chorcograph the whole work, since even thia one movement taxed his powers of invention well beyond the

Music with a View **Andrew Clements**

During the Royal Over-Seas Leagne's Annual Exhibition, members of the Koenig En-sembla ere giving a series of three chamber recitals in the gallery. The first of "Musio with a View on Wednesday night set three British works for oboe and string trio against the first and string trio against the first British performances of string trios by young Europeans. The oboist was Quentin Poole, the string players Miranda Fulley-

than I remember Transities to be, stretching the tonal re-sources of the three strings to the limit in an idiom which hovers around the fringes of tonality without ever coming clean about it. On a single bearing it is slightly impenetrable, though one is left with an impression of great assurance and of an extended timespan (21

minutes) eventfully filled.
Martin Smolks (born in 1958)
is a new name to me, but he is
evidently one of the leading
figures in the youngest generation of Czech composers. His Tears for string trio revealed an unashamed neo-remantic, with an open declaration of his intent at the climax in a fulltent at the climax in a full- cast, which also includes Linda blooded quotation for Chalkov- Hayden and Gregory Phillips.

sky's Pathétiqua Symphony upon which the whole structure is evidently hulit. This revala-tion is skill fully approached and then dispelled, but other-wise the music is lacking in memorable ideas; random tonal jottings tend to replace genuine

The Koenig players handled the demands of both trios with impressive aplomb, but some loose ends in the works with oboe left a less positive impres-sion. Elisabeth Lutyen's O Absolom! (1977) is in any case a somewhat unvielding piece despite its elegale background; despite its elegale background; Kmussen's Cantata can flow more effortlessly than it did here. Prisulx Bainler's Quanta fared better, riding over minor imprecisions with its unquenchable vitality. It is, in its small way, a masterpiece of unfalling variety and invention, that ends precisely where it abould, without a hint of superfluous note spinning.

Cast changes in 'Run

for Your Wife' David McCallum and Derek Griffiths will take over the leading roles in Run For Your Wife at the Criterion Theatre on September 30. Windsor Devies, Helen Gill, Gareth Hunt and David Masterman return to the

Rattle/Barbican Hall

Dominic Gill

Although both the City of

By and large a conductor will let his soloist choose the tempi for a performance — although he will often intervene to modify, and coordinate, that choice. The opportunities for intervention, though, are fewer than usual in Bartok's Concerto for two pianos, percussion and orchestra: for the "Concerto" is in fact no more than the famous Sonata for two pianos and percussion, virtually unchanged, but with orchestral colouring. The solo planists were the two French sisters Karia and Marielle Labeque

whose tendency, already noted on this page, is to perform almost everything, and especially the Bartok Sonata for especially the Barlok Sonata for two pianos and percussion, too fast. One sensed on at least a dozen occasions that Rattia would bave liked to restrain their heetic dash through the music: but on this occasion he e could do no more than give the
Labeques their head, and follow
as stylishly as be could.

Although both the City of Birmingham Sympbony Orchestra and its Principal Conductor Simon Rattle have appeared separately at the Barbican. Wednesday'e concert was the first they have given there together. A welcome debut—and doubly welcome as the first of four appearances which the same forces will make this season under a new scheme jointly promoted by the CBSO and the London Sympbony Orchestra.

By and large a conductor will

And that, it must be said, wag very stylishly indeed. Hectic tempi apart, It was one of the deftest and most detailed accounts of the Concerto I have heard. Instrumental colours were tauched in, and delleccy. Much of the spare cutting edge of the original is in the orchestral arrangement too is new and quintessential Bartok, and how And that, it must be said arrangement too is new and quintessential Bartok, and how much of the original can now much of the original can now be heard as aspiring to orchestral texture! One day the Labeques will eaim down, and teke a second look at the Sonata; when they do, they must sorely come back, with their excellent percussionists Silvio Gualda and Jean-Pierre Propert and play the Concerts. Drouet, and play the Concerto with Rattle again.

> The programme had opened with a sparkling Morriage of Figure overture, and ended with Elgar's second symphony. Elgar's Second is no one but Elgar's Second is no one but the most fervent Elgarian's favourlie symphony, but Rartle's evident commitment was more than usually per-suacive, I specially admired the easy, genial swing with which be underpinned the first move-ment; the Larghetto grandly flowing grandly lutimater and flowing, grandly intimate; and the very human face — pomp without pompousness, and a thousand regrets — which he allowed to the finale.

Verdi Requiem/Festival Hall

Max Loppert

For the opening concert of and a good deal of dramatic temper and the content of the good in blend, impressive in their season Klaus Tennstedt and the London Philharmonie Choir and Orchestra on Wednesday night tackled together e work new to the conductor's London repertory until the final two movements, the Word Requires. This which were at last allowed to —the Verdi Requiem. This which were at last allowed to most completely human of 19th—develop their own forward century choral masterpleces motion, the unfolding of the can support a wide variety of part and, therefore, of the differing interpretations, pro- whola was subject to repeated vided that the primacy of the interruption by commas, lenuti, singing line, the crucial feature sudden tempo elowings, and like of all Italian music, ie made adjustments. The natural flow the driving force behind avery of the music, that natural sense one of them.

Tennstedt and his forces, peatedly set at risk.

Tenustedt and his forces, peatedly set at risk, among them a solo quartet of considerable distinction, gave us a Requiem in which there were many incidental excitewere many incidental excite-ments, much nervous energery, style utterly unsuited to the

of drama-through-song, was re-

bility was not, it seemed, prorepresentations of the school" it always was - by innate feeling for voices, for their expansion and dramatic direction. In such a passage as the very opening, or the "Recordare," or long stretches of the Offertorium, one felt the conductor's activities as a kind of well-meant interference, driving ont details and moments at the expense of the larger purpose. It was a very interesting reading, as any such must be, and it was finely executed, but it lacked stylistic certitude.

Luckily, tha solo quartet, Price.

music. But Tennstedt's flexi- solo atterance, was able to provide the reliable points of focus moted — as in the great even when these were under general threat. The bottom line was held with spiendour of tone, if not much indivi-duality of accent, by the Georgian bass Pasta Burchu-ladze. David Rendall, a late replacement at tenor, was a tower of strength; the young German mezzo Waltraud Meier was smooth, steady, and digni-fied. And notwithstanding an unfortunata elip at the start of the finale, Julia Varady proved a Verdian soprano of memorable qualities — heart-felt, radiant, forceful, the most naturally expressive of my own experience sinca Leontyne

Author Italo Calvino dies

The death yesterday morning of Italo Calvino deprives Italy Cuha in 1923 where his Italian of one of its finest post-war parents were both scientists. He vriters. The 62-year-old Calvino dled in hospital in Vienna, two weeks after suffering a stroke in the garden of his villa in the Tuscan coastal village of Castiglione deila Pescala.

For Italians the author's most famous work was his tala about infloenced by Nabokov and inspired by Hemingway, with crat who decides to live his life in the trees, The Buron in the Tress. But in two dozen other was the God. He was the discovery for the properties for the control of the cont an 18th century Sicilian aristocrat who decides to live his life in the trees, The Baron in the Tress. But in two dozen other hooks, starting with the naturalistic The Poth in the Nest of Spiders (1947), inspired hy his experience as a Resistance fighter during the German occupation, Calvino created fantasies and magical fahles which are very different from the realism which ebaractarises contemporary literature. His last published goval, Palomar (1983), looks at life up close, making the banal seem exotic.

spent his youth in San Remo, then went to Milan to be an editor at Einaudi, Italy's publisher of art books and quality literature. He recalled in an inteview

covery for my generation for his style, for his persona, for his life experience," he said, And yet there could hardly be a greater contrast than that between the macho Hemingway and the shy, evan self-depre-cating Calvino.

The writer's own favourita among his works is Invisible
Cities (1972), in which a young
Marco Polo entertains tha
Kuhlai Khan with becutiful

Italo Calvino was born in and fantastic descriptions of imaginary cities. More recently, in 1979 the publication of a different kind of novel led to fresh acclaim, particularly in London and New York, — If on n winter's night n traveller is a fiction about fiction, a novel which contains 10 first chapters of novels, which, for one reason or another, never continue.

The English versions of Calvino's books retained the intellectual force and subtla fantasy of the Italian thanks to the painstaking translations by William Weaver. When I met Calvino last

March in his Roma apartment a few steps from the Pantheon he was preparing a series of lectures he had been asked to deliver this autumn at Harvard. He was enthusiastic about the invitation and was working on the lectures in Tuscany when ha was etruck down. He was on holiday with his Argentine-



Italo Calvino

born wife, Chiebita, and a

daughter, Giovanna. Yesterday many Italian political and cultural leaders, led by President Cossiga paid tribute to Calvino. But his loss

will be felt most by his readers. Alan Friedman

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Saleroom/Antony Thorncroft Musical instruments

salaroom season yesterday with pat of around 1835, which, when a modest auction of musical eleaned, will look smashing: It instrumants which went according to plan, with a total of A small Neapolitan mandolin of ing to plan, with a total of £122,452 and 8.32 per cent hought in. The sale was epoch-making in a minor key because mate at £1.210, but some virginals hailt by Alee Hodson in 1946 were a bargain at £319: they are the victims of the cult of past anthenticity. An 18th century bars and produced violins in the £100-£300 price range. They are the victims of the cult of past anthenticity. An 18th century English £300 price range. They are just not worth the trouble, as demand yesterday suggested-

for professional musicians to buy an instrument of quality in the £5,000 plus range—and the top price of £4,400 by the dealers J. & A. Berre for a Tyrolese violin of 1740 confirms the continued interest in better instruments. A lata 19th century Italian violin by Giovaanl Gaida also did well at £4.180.

It is a plty that children atarting out as violinista need under-sized instruments: they would be the natural market for would be the hattiral market for violins in the £100-£300 price ranga, which are proving such a drag on the market. If en under-sized instrument was ranga, which are proving such a drag on the market. If en under-sized instrument was offered yesterday it found a buyer. Dealars can acquire violins of this low quality so cheaply that they do not bother to hid at auctions which, in future, at Sotheby's at least, will concentrate on instruments worth more than £500.

Among the lots of interest elsewhere were a marky look.

1776 almost doubled its estiof past anthenticity. An 18th century English guitar, really more like a mandolin, was ebeap at £187.

There seems to be no interest demand yesterday suggested—
many were unsold.
Auctions remain a good way
for professional musicians to
buy an instrument of quality—
in the £5,000 plus range—and
the top price of £4,400 by the
dealers J. & A. Beare for a
Tyrolese violin of 1740 confirms
the continued interest in better.

There seems to be no interest
at auction for bells and 12
handbells by Warners of London only made £38.50, below
the other band bows always do
well, a silver mounted violincello bow hy James Tubbs
selling for £2,090.

Christie's announced vester-

Christie's announced yester-day that the Hon Charles All-aopp and Noel Annesley had been appointed deputy chair-men of the company. This is to plug the management gap created by the resignation in July of its chairman the Hon David Bathnrst. Mr Jo Floyd, the rettred chairman, returned

AGUA Y ENERGIA ELECTRICA SOCIEDAD DEL ESTADO INTERNATIONAL PUBLIC INVITATION TO TENDER No. 82/85 r, erection and start up of the Telecontrol system a operation of the Regional Load Dispetch System Northwest interconnected System (Provinces of ares, Jujuy, La Rioja, Saits, Santiago del Estero (Cumbn). Contract Document AyE-GEF 1582 Copies may be obtained upon payment of A185 (Argentine currency) BID OPENING: 12/10/85, 10 am Consultation and obtention of contract documents at Gerencia de Comprae Adolfo Alaine 1418, Pienta Saja-city of Susnos Airst., República Argentina on business days from 11 am to 2 pm and at Gerencie Regional Noroesta, Av. Avellance 205, Sen Miguel de Tucuman. República Argentina. On business days from 8 am to 1 and opening of contract documents at the The largoing invitation to tender is partially financed with funds of the inter-American Govelopment Bank Lass Contract No. 468/06-AR. mailty of interveolng perties and the origin of the lost the lost.

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Friday September 20 1985

Entrepreneurs and managers

HARDLY A week goes by in share them, with managers the hothouse atmosphere of whom they hring in from Sillcon Valley without a top outside. manager leaving a high-tech On both sides of the Atlantic, company in order to start examples are legion. Among another one. But seldom has there been a defection so spectually another one and additional another one and additional another one and additional another order. tacular as this week's resigna-tion by Mr Steven Jobs, the 30-year-old co-founder and chair-man of Apple Computer. The departure reflects in an extreme form the well-known difficulty

John Sculley, whom be lured away from the presidency of Pepsi Cola in 1983 to become president of Apple.
For 15 months after Mr

For 15 months after Mr Sculley's arrival in May 1983, the two men enjoyed a honey-moon period in their profes-sional and personal relations. In a spate of glossy photo-graphs set against scenic backgrounds, the mercurial entrepreneur, whose personal chavisma and technological charisma and technological vision bad given the young Apple such drive and success. Posed with the hardened marketing professional who was starting to tighten-up the COMMANY'S MARKET START STA

company's management.
But by last autumn Jobs was beginning to show signs of restlessness with his new role as senior spokesman-cumgeneral manager of just one of Apple's three divisions. The prime product for which he was reconstible the Magintock responsible, the Macintosh, was much less successful than expected, and amid a general slump in demand for personal computers and a renewed onslaught from IBM, Apple's profits began to slip.

Adjustments

Earlier this year Mr Steve Wozniak, Apple's other founder, left to form a new venture after a series of disagreements over product development strategy. In June Apple cut its workforce Hewlett-Packard, have suc-by a fifth, warned of its ceeded. Even they are finding first ever quarterly loss and announced that Mr Jobs was being removed from his managerial responsibilities; then, last month, he sold part can only envy the success of the of his personal shareholding.

The rift at Apple raises issues

of his personal sharenoung.

The rift at Apple raises issues which companies like this which reach far beyond the flourish. The success has to do both with the size of the domestic than the size of the size of the domestic than the size of the world of high technology, preneurial culture which is It underlines the difficulty entre-conducive to high risks and preneurs everywhere face in high rewards. Although the preneurs everywhere face in high rewards. Although the making the adjustments necessary to turn their creations ing size are often difficult to into professionally-managed and resilient blg businesses. In particular, it brings into focus the large extent on the ability of inability of most successful creative individuals like Steven entrepreneurs contentedly to Jobs to convert an original idea hand over the reins, or even

On both sides of the Atlantic,

in the past are Thorn Electrical (as it then was), and Grundig, which lost several chief executives of good pedigree after clashes with the founder; not until the company was in decline did he submit to out-

form the well-known difficulty of marrying the creative flair of a young and immensely successful company with the managerial disciplines needed to run a large, international business.

Mr Jobs' decision to leave was not unexpected. For nearly a year there have been growing atrains between him and Mr John Sculley, whom be lured until the company was in decline did he submit to out at takeover by Philips.

Sir Clive Sinclair has found it equally difficult to band over managerial control of his various companies, though he has tried (or been prompted) at the submit to out. past 12 years; at present be is making a renewed attempt to making a renewed attempt to devote most of his time to research and development. Among the multitude of anonymous businesses struggling to cross the threshold from small to medium, and medium to large, a sizeable majority experience similar strains.

Though power-sharing is bard for any entreureneur to stomach

Though power-sharing is bard for any entrepreneur to stomach, it seems a particular problem in America, where even many large companies prefer a single individual to bold sway. In such circumstances the entrepreneur's only choice may be betwen returning to tha laboratory or resigning. In Europe the dilemma is less acute, thanks to the persistence in many countries of a tradition of shared responsibility and team leadership.

team leadership. From the corporate point of view, the key question is not so much the survival or otherwise of individuals, as whether a company's entrepreneurial style can survive its professionalisation and growth. For several decades the stock answer bas been a negative one, but now a growing number of circumstances. growing number of giant cor-porations, from Dow Chemical to General Electric, are struggl-ing to promote entrepreneur-

ship within the company. As yet, however, only a bandful of ploneers, such as 3M and Hewlett-Packard, have succeeded. Even they are finding it difficult to preserve the right ment proposals—that, however misguided they may be, it must belp to work out ways of implementing them.

UK pensions reform

Why few wish to join the **Fowler** bandwagon

By Michael Prowse



The criticism is now blunt, well-argued and often impassioned. Almost every assertion in the Green Paper is under attack. The criticism is both theoretical and practical: the indivdual "money purchase" pensions Mr Fowler is offering in place of Series are reported. pensions Mr Fowler is offering in place of Serps are regarded not only as an intrinsically less rational way of providing pensions for large numbers of relatively poorly paid workers, but also as administratively costly and cumbersome. bolstered by the opposition of influential bodies including the CBI, the National Consumer Council, the Equal Opportuni-ties Commission, Help the Aged and a bevy of left-of-centre welfare pressure groups.
Employer disquiet, expressed
with some passion by representatives of small firms as well
as the CBL, is matched by

firmly support the compromise

position adopted, for example, by the CBI and by Dr David Owen of the Social Democrats. This is that Serps should be reformed rather than abolished.

The Tory Reform Group, in par-ticular, bas been highly critical

It seems likely that a Bill based on the Green Paper would have a rocky ride in the Com-

mons and might be scuppered entirely by the House of Lords. In the wake of local government

of the Fowler plan.

A great many people clearly feel very strongly—some of the submissions are quite emotional—that balf a century of progress on pensions in the UK could be imperilled if Mr Fowler cannot be persuaded to proceed. implacable union opposition which will become explicit next week when the TUC unveils its formal submission. be persuaded to reconsider. be persuaded to reconsider.

There is widespread agreement that the Government is attempting to force through farreaching changes far too quickly. The three-month consultation period, spanning tha summer break, is regarded as wholly inadequate. The CBI is typical in rescribing the proposed implementation date for the changes of April 1987 as In view of his ambitious timetable for reform, which includes legislation in the next Parliamentary session, Mr Fowler must be increasingly concerned by the extremely narrow base of his support. The right-wing Monday Club, the Institute of Directors and a bandful of financial institutions such as Save and Prosper, the unit trust group, have expressed

the changes of April 1987 as unrealistic and dangerous. unit trust group, have expressed unequivocal approval. But few others seem to want to join the Fowler bandwagon. If it were only the occupational pensions industry that was attacking the Government's proposals. Mr Fowler might, perhaps, be able to dismiss the criticism as self-serving—as coming mainly northoge who Particularly worrying for the Secretary of State, at a time when popular support for the Conservative Party is at a low ebo, is the split in Tory ranks which is emerging. Many on the left, and centre of the party series support the compromise stand to suffer professionally from a big shift towards per-

sonal portable pensions. In fact, however, the National Association of Pension Funds (NAPF), the official voice of the industry, while bostile, has not been particularly dominant in the debate. It has tried to take a constructive "civil servant's" approach to the Government

N WEDNESDAY, the Confederation of British Industry (CBI) added its influential voice to what has

now become a near-deafening chorus calling on the Govern-ment to reconsider its planned

abolition of the state earnings related pension scheme

The scheme, set up in 1978, offers 11m of the nation's less

well-paid workers—those with-out the benefit of an occupa-tional pension—a modest inflation-proofed supplement to the basic stata pension. Its phasing out and replacement by a system of compulsory private

pensions was first mooted in

June in the Government's Green Paper on reform of the social security system. The immediale reaction of a wide range of institutions, individual

pension experts and pressure

groups was hostile.

If Mr Norman Fowler, the Social Services Secretary, had hoped that first impressions would prove misleading—that after reflections the merits of his ideas would become apparent—he must have been hadly shaken by both the tone and substance of the great majority of formal submissions. In the past three months the

In the past three months the initial hostility has, if anything,

groups was hostile.

The frontal attack on the Government's proposals has been led by a raft of life assurance companies, writing in a personal capacity and including many that stand to gain from the mooted changes. Mr technical measures which affect the rights and aspirations of seriously some incid and disinterested criticism from the likes of legal and dispersion for the seriously some incid and disinterested criticism from the likes of legal and dispersion for the sentral question for the sines. It is should together contribute a should toget likes of Legal and General and the Prudential—companies that would be bound to do well in a portable pensions free-for-all.

Their criticism has been the Fowlar proposals. Should it solstered by the opposition of in the next few months attempt to turn the Green Paper plans into a White Paper and then a louncit, the Equal Opportunities Commission, Help the Aged and a bevy of left-of-centre welfare pressure groups. The validity of Mr Fowler's original critique of the pensions status guo and the validity and the validity of the validity of the validity and th status quo and the validity of the trenchant counter-critiqua

of his proposals.

tion of public monopolies, would be in large part a means towards an end: tha fostering of an entrepreneurial, capitalowning democracy: Personal pensions would be a way of encouraging more people to take a direct stake in British

the trenchant counter-critiqua At first glance, Mr Fowler's cost worries and his desire to Mr Fowler was moved to stimulate an entrepreneurial

A great many people feel very strongly that half-a-century of progress may be imperilled

challenge the bipartisan status quo — and so spark off the present furore — for two main reasons. The cost of Serps, be said, would escalate rapidly over the next 50 years, presenting an intolerable burden for the future working population. Hence there could be no question about its abolition. However, to ensure the least disruption, it would be phased out slowly — nobody within 15 likely real growth of GDP over years of retirement in 1987 would be affected.

If the decision to abolish

If the decision to abolish Serps was motivated by negative cost considerations, something more positive — an ideological commitment to privatisation and personal choice
— underlaid the shape of the proposed successor. In place of Seros the Government suggests employers and employees should together contribute a minimum of 4 per cent of earn-

large segments of the electorate. dividuals would recognise pen-The central question for the sions, like their bomes, as part Government is whether in the of their net worth: an asset over face of mounting opposition it which they have control. Penshould attempt to press on with sion reform, like the privatisa-

Help the Aged, among others, points out that if Serps is retained, the rise in resources ost exactly in line with the more of GDP,

In any case, as the CBI

work "to develop relations between the two countries" —

which is what an ambassador is

But his other remaks also pubished yesterday, such as "I am a Marxist because I apply Marxist analysis to social market analysis and I am an arms-

phenomena, and I am an agnostic because I suspend judgment on things divine for lack of incontrovertible evidence" are less likely to be enthusiastically greeted by Pope John Paul II.

Risks in French

Rainier Brousse, head of the French division of the insur-

ance brokers Stewart Wright-son, has tried to make bis French guests feel at home at an unusual conference being held near Windsor.

All the British speakers at this gathering, arranged for French broker-guests, are delivering their addresses in French on topics ranging from fraud to political risks.

Stewart Wrightson is trying to boost the volume of business it does with France. The company started a French division just a year ago.

The insurance specialists in that division are French-speak-

ing and all correspondence is in French. Working in another language

certainly increases costs but Brousse (himself French-born)

believes the expense will be absorbed by an increase in busi-

ness. Even cover notes are now

But in spite of the thorough-

ness of Brousse's efforts to cre-ate French ambience, English

bas obtruded into the conferenca. One of the subjects to be covered is "risk management."

No bandy French equivalent

for that expression has yet been

found by the conference.

being Issued from London in French.

lating that widows can receive 50 rather than 100 per cent of What of the ideological case for privatising pensions? The burden of the argument put by tha life companies and others is that Mr Fowler's rather vague

is that ar rowier's rather vague ideas, even if they could be implemented, would yield few of the benefits be is seeking yet seriously undermine the pension prospects of 11m comparatively poorly paid workers. As the Prudential argues, the fact that people would know the present money value of a personal portable pension would not give them any feel at all for its real value in terms of

command over goods and services at the time of retirement. if the Government seriously wants more people to gain a better notion of the value of the pension assets they are accruing, it should encourage occupational schemes which make benefits comprehensible

cism from groups such as the CBI and life companies broadly by linking them to the thing in tune with his economic philosophy?

On costs, the argument is that the Green Paper made Serps appear bugely extravagant mainly by statistical sleight of hand. The projected rise in toosts was not set against the likely real growth of GDP over the next balf century. It has been estimated, for example, that the maturing of Serps will pre-empt only one-tenth of I per cent of amilal growth in future decades.

Help the Aged, among others. average indexed salary).

Critics fear that the proposed minimum investment of 4 per cent of earnings would become a de facto maximum because so many employees would seek to maximise take home pay in the short run. Life companies argue that a 4 per cent contribution rate would not provide a remotely adequate substitute for lost Serps benefits, particularly if the need to buy protection for surviving spouses is considered. The CBI points out that if, as is probable, much of the cash is deposited in safe devoted to pensioners will be the cash is deposited in safe almost exactly in line with the increasing relative size of the society accounts), the eventual retired population. If there are pension would be "less than to be proportionately more old half" what would be on offer people, it is surely reasonable even from the scaled down that as a group they absorb the proposing of GOP.

Specifical section of Serps it is proposing.

The other important, if obvious point made with almost monetonous regularity, is that a pensions reform that cannot be a pension of serps in the pension of serps in the pension of serps in the pension of the pension of serps in the pension of the pe short-term assets (eg buildu Besides offering

many cases, contributions, says the CBL would average less than £7 a week. The expense of investing such small sums in long-term securities would be prohibitive—perhaps a third of the value of the contributions. The transactions costs of Serps are minuscule in comparison.

Critics also point to the big increase in employment costs, which would result from the phasing out of Serps. As the CBI argues, the Government is intent on placing a "double cost" burden" on industry: business would have to pay not only for today's pensioners but also, through the increase in "tunding," for next century's pensioners as well. Employment costs could shoot up by 4 per cent of the pay bill—a beavy blow when unemployment is still rising.

The cost increase would partly reflect the administrative headaches created for employers by the need to coordinate the individual pension arrangements of their employees. The Prudential, in keeping with many other life companies, warns of the proposed new system: "Frankly, we doubt whether it could be made fully watertight without learlings of the proposed new system." inordinate supervisory expense and substantial involvement by the DHSS."

Time and again, the message from the submissions is that. notwithstanding the benefits of portable pensions as a "top up" for well-paid executives already covered by company schemes, they are an expensive, ineffi-cient and insecure way of pro-viding pensions for large numbers of poorly paid workers for

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com- attract bipartisan support is paratively little security in the almost useless. As Legal and longer term, the life companies General argues, how can Mr argues, there are ways of modifying Serps to make certain its cost does not rise relative to GDP. This could be achieved by basing benefits on average lifetime earnings, instead of on the low paid, inefficient, in the life companies General argues, how can Mr argue that individual saving Fowler expect employers to put against old age by millions of substantial resources into the low paid, itinerant workers moving in and out of work sions system if they do not believe it will last?

Mr Kinnock and the Falklands

week between Mr Nell Rinnock, leader of the British opposition
Labour Party, and President Thatcher, committed Britain to Alfonsin of Argentina was intended as an imaginative gesture to unblock the impasse shorthand for talking about

Obviously, domestic politics played a part in the meeting; but this should not detract from the basis for a sensible dialogue. the fact that Mr Kinnock took a deliberate gamble on a swing in the national mood against a
Fortress Falklands policy and
in favour of the opening of a
new chapter in Anglo-Argentine

relations.

Mrs Margaret Thatcher bas been sharply critical of the meeting on the grounds that it showed little respect for the wishes of the islanders and that

Sovereignty

discuss at some future date the discuss at some foure use the issue of sovereignty over the Islands Sovereignty is at the heart of the dispute, and while nothing can justify Argentina's European allies increasingly seizure of the islands, neither impatient over the failure of this action nor the subsequent Buenos Aires and London to be a made the subsequent of the subsequent over the failure of Buenos Aires and London to be a made the subsequent over the failure of Buenos Aires and London to be a made the subsequent over the failure of Buenos Aires and London to be a made the subsequent over the subsequent over the latest the subsequent over the subs

British initiative, incloding the of the alliance. most recent one involving the unilateral lifting of the trade

shorthand for talking about sovereignty without formally in Anglo-Argentine relations as sovereignty without forma a result of the Falklands con-

There is no reason why a similar approach should not be applied to the Falklands. Just as dealing with the Franco dic-tatorship made negotiation of the future of Gibraltar politic-ally difficult, so the same applied to the Argentine military junta. However, President Alfonsin In almost two years of office has demonstrated his determination to consolidate democracy and his desire to be a reliable interwishes of the Islanders and Argentina had ignored every his desire to be a reliable inter-olive branch held out by Britain. national partner, especially by However, there has been scant settling differences with Chile and facing up to Argentina's large foreign debt obligations. Sovereignty

Mr Kinnock has accepted that

Argentina and were responsible

Britain must be willing to

discuss at some future date the

Indee toteign deby obligations.

The very generals who ruled

Argentina and were responsible

for the Falklands invasion are

on trial, and one separate trial

Argentine defeat bas made the reach a modus vivendi. The claim vanish into thin air.

President Alfonsin bas in the United Nations is increased. President Alfonsin has insisted that the restoration of diplomatic and commercial ties are meaningless gestures so long as the sovereignty issue is 8,000 miles away in the South ruled out of court. Thus every Atlantic is not to the detriment

The Argentines could help their cause by formally declarembargo, has foundered because ing an end to the state of Mrs Thatcher insists sovereignty belligerence; they could also cannot be discussed. respond to the lifting of the Mr Kinnock has been careful trace embargo by removing not to surrender Britain's claim some of the red tape in the to the islands or to prejudice way of those wishing to resume the islanders' future. Instead, he trade. But on the British side and President Alfonsin have there has to be a recognition adopted a formula similar to the 1980 Lisbon agreement a viable policy for the long-term between Britain and Spain future of the islands.

Wider view for Neild

Some interesting changes are taking place among the ranks of the City's economic gurus as the "big bang" looms.

Paul Neild, the ebullient chief economist at Phillips and Drew

since 1971, and rated by the annual Extel survey as the top forecaster of the British economy for each of the last 11 years, is about to hang-up his slide rule. slide rule.
Since Union Bank of Switzer-

land took a 29.9 per cent stake in the broker last month, Neild bas been elected to the board of the new UK bolding company which will prepare it for next year's upbeavals in the share and gilt-edged markets. UBS plans to take 100 per cent next April.

April.

With new responsibilities for Institutional equity research and sales, and a key role in the development of the company's market-making skills, he says he sale he had to be the says he felt be had to let go of the reins of the economics team.
"I tend to look forwards rather than backwards" he says. Clearly he relishes the new challenges posed by the City

revolution. But there are one or two past



Men and Matters

noments which conjure fond memories for him. One was the occasion when a Government minister waved a copy of one of bis instant Budget analyses in the House of Commons and called it a "primer for econo-mics primitives."

Neild's move was made easier by the knowledge that his current deputy, Stephen Lewis, is standing by to take over the running of economic forecasting and analysis.

At 37, Lewis is two years younger than Neild and has already established bimself as the market expert in gilt-edged securities. Universally liked in the city

he is now preparing for the wider responsibility of forecast-ing everything forecastable from the unemployment figures to consumer spending.

Absent friends

Guest of honour Roy Hattersley's absence from the Clearing Bank Union's eve-of-conference dinner caused a few snickers among the union's Tory and Alliance sympathisers.

Lifetime Labour man John Cousins (son of Frank) bas been trying to boost the union's pubic profile since be took over as general secretary by inviting prominent politicians to dine. First to grace the CBU's table was John Selwyn Gummer.

With the conference in Liverpool, the idea of inviting

Derek Hatton was toyed with - but dropped. — but dropped.

Maybe it is just as well that
Hattersley did not show. A
Labour/TUC deal which
includes acceptance of the need
to moderate wage rises is close
to his heart. Yesterday,
Cousins told his non-TUC union
that it work deals within that it must declare publicly its opposition to wages policy. The snubbed bost's revenge?

Secret drops

The Russian in London who used the library at the National Geographic Society at the time of the Falklands campaign had a counterpart in a British reporter working in Moscow.

He asked the meteorological office there for the figures on Moscow's rainfall for the last two years only to be parried by the question, "Why do you want to know?"

Divine choice

The lines are hot between Rome and Madrid over accusations that Spain is pulling a fast one on the Vatican.
Felipe Gonzalez's socialist Spanish government is sending as ambassador to the Holy See the outgoing under-secretary at the foreign affairs ministry in

Madrid .

Gonzalo Puente Ojea, also bappens to be a self-confessed table was John Selwyn Gummer.
Last year's guest was Shirley
Williams. Cousins was intent on
getting a top hame from
Labour's ranks this year. But
pressing business kept Hattersley away.

Still keen to give Labour a
bearing, the resourceful
Cousins asked Tony Benn to
step in — sadiy, he was otherwise engaged.

With the conference in

bappens to be a self-confessed
Marxist and agnostic. For
nearly two months the Vatican
hearly two months the Vatican

days."
Ojea tells reporters be will

A party being shown round Pembroke castle the other day heard the story of the prisoner kept in a cell for 12 years and

Too much

released, mad. "Mad." exploded an American matron, "Id be furious." Observer

MEPC



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21

is that the American criticism was bi-partisan and came from people closely informed about the situation in Europe—indeed who in terms of their per-

The Americans did not need to be told by the Europeans (although they were) about the big efforts made by Britain and France to modernise their

nuclear forces, about West Ger-

many's decision to extend the military conscription period—

and so on. The Europeans' budgetary, and social, problems were seen well enough, but this did not serve to allay U.S.

The second point, linked to

the first, is that U.S. criticism is more fundamental than it

is more fundamental than it used to be, and the passage of time seems likely to reinforce it. On the nne hand the Americans see Western Europe four decades after war's end as well able economically speaking to take on a greater share of its defence burden. On the nther, for the U.S. the relative importance of Europe has

importance of Enrope has declined as its economic and

strategic Interests in Asia, the Pacific basin and Latin America

Discrepancy

sonal sympathies could called "pro-European."

Efforts

complaints.

WEEKEND OF Y

E LIBERAL Party Assembly in Dundee this week has so far exceeded expectations. It has been taken a dult affair: no fireworks, few surprises, and

fireworks, few surprises, and on the surface — oot too much to write home about except the even tenor of its way. Above all, no one has been the main excitement has been the publication of the Telegraph which gave the SDP. Liberal Alliance 39 per cent for Labour and 29 per cent for Labour and 29 per cent for the Conservatives. Polls go up and down but it would be hard to deny that the Alliance is on a generally rising trend.

A quiet assembly is exactly what the Liberals needed midway between the last General Election and the next. The official word is that it is time to consolidate and that is what the part to the consolidate and that is what the part to the consolidate and that is what the part to the consolidate and that is what the part has the part to the consolidate and that is what the part has the part to the consolidate and that is what the part has the part to the consolidate and that is what the part has the part to the consolidate and that is what the part has the part to the consolidate and that is what the part has the part to the consolidate and that is what the part has the part the par

to consolidate and that is what the party has been doing. All being well, it will come forward with all guns firing at the assembly in Eastbourne in

assembly in Eastbourne in September next year.
There are quite a lot of laurels to rest on if Liberals ever rest. The alliance with the Social Democrats has been effectively restant. The old hones of tively seated. The old bones of ention between the two parties have occu burled. There is no longer a call for a single leader belore the election. On the contrary, having two leaders corking together is seen as a age of strength.

There are few arguments ther about the distribution Darliamentary constituencies between SDP and Liberal can-didates. The two parties have come to regard each other as equals, though with different

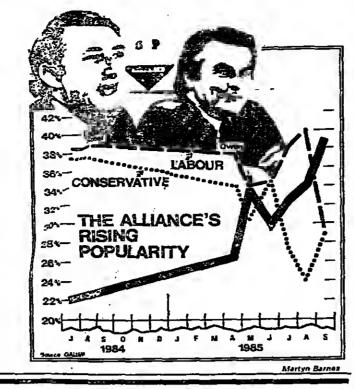
The Liberals have learned from the Social Democrats' air of self-confidence and efficiency. They were desperately anxious that their assembly should not be compared unfavourably to the smooth running of the SDP conference in Torquay last

the importance of winning seats Alliance. Not this year, in non-parliamentary elections. Ultimate proof of that came
The shire county elections last from the performance of Mr May were a particular success for the Alliance and may have sparked the revival of

Politics Today from Dundee

The Liberals stop rocking the boat

By Malcolm Rutherford



Mr Paddy Ashdown, the Franchisc Demoostration in Liberal MP for Yeovil, last Dundee."
year's conference bero and an For the first time in 50 years. the Liberals had chance of power, he said. They must play to win.

The other illiff for power came from the newly-elected have rather a pedantic mancher; by the Liberal News rally, Liberal coungilors, many of the had become more of an whom had been fighting local whom had been apparent unilateralist, now favours doing nothing very dramatic about Cruise missles while the arms control negotiations in Geneva are in progress. He has been dubbed Mr Paddy Backdown for his pains but that is by a minority of Young Liberals, What bas bappeoed is that Mr Ashdowo bas joined libe search for compromise. Indeed it was said frequently during the assembly debates that a readioess to compromise—both within the Liberal Party and within the Social Democrats—

to the SDPs professionals. On the whole it was averted. The Liberals, too, have grown in Liberals, too, have grown up.

The Social Democrats have learned from the Liberals campaigning zeal especially at the local level. They now realise the basis of the challence the basis of the leadership and challence the leadership and challence the basis of the leadership and challence the basis of the leadership and challence the leadership and challence the leadership and challence the basis of the leadership and challence the leadership and challence the leadership and challence the basis of the leadership and challence the

Tony Greaves at the Liberal a hung-or what is News rally—the equivalent of the Tribune rally at the Labour for outright victory. enthusiasm, among activists Party—on Wednesday evenings.

evident both at Torquay and Dundee.

Policy differences between Westminster end of the Liberal tile two parties were never as Party for years. In his previous Party for years. In his previous piper on great as was sometimes suggested in the first place. Once that almost anything that the members came to know each other better they realised that they were broadly on the same waveleogth. The outstanding difficulty was defence. Even that bas been more on less resolved.

Party for years in his previous paper on "preparing for there are thorns as well as foreign think Government was leaked to the party is conference in Torquay. It says to pretend. For example both partners still hanker after some form of codified incomes and the inner reaches of policy though this is now relating that they were broadly on the same wavelength. The outstanding difficulty was defence. Even that they were broadly on the same wavelength. The outstanding difficulty was defence. Even that they were broadly on the same wavelength. The outstanding difficulty was defence. Even that they were broadly on the same wavelength. The outstanding difficulty was defence. Even that they were broadly on the same wavelength. The outstanding difficulty was defence. Even that they were broadly on the same wavelength. The party is scarcely prepared at all to stand up to the party is scarcely prepared at all to stand up to the partners still hanker after and the inner reaches of policy through this is now referred to as a strategy.

For the first time in 50 years, the Liberals had : chance of power, he said. They must play

the Liberal leader, virtually disowned him once the leak was known.

But in Dundee Mr Wallace

The Social Democrats have learned from the Liberals' campaigning zeal

are now in positions of responstrility. There was a very atrong sense list they dought that the leaders up was too timid. The Alliacce would not be going for a linne-or what is now called a "balanced"—parliament, but

enough because it did not believe that overall victory was likely. And what would happen il the Alliance did win and they turned out to be just like any other administration?
It would be the end of the last best bope of reasonable Government or so he says. Mr

Wallace has done himself no end of good, having been

turned from vitlain into hero in the course of the week. There are thorns as well as

leader, promised last week the introduction of an inflation tax as a reserve power, to be levied on wage actilements judged to be too high (to be judged by whom?). Mr David Penhaligon, the Liberal MP for Truro, the party's new economics spokes-man and stand-up comic parexcellence, went further and said that a prices and incomes stralegy was at the root of everything. He did not elaborate.

Dr David Owen, the SDP

Mr Steel's idea of an all-party conference to discuss the pro-cedures in the event of a balanced Parliament after the election, was pure simmickry and patronising gimmickry at that. One of his advisors said that the Queen was "scared stiff" at the prospect of having to choose whom to ask to form a Government and ought to be spared the embarrassment. It seems unlikely that the Palace is losing much sleep about it.

Contradictions abound. Mr Penhaligon who is also the party's new president attacked the old parties for repeatedly repealing each other's legisla-tion, then said almost in an aside that the Alliance would reverse all the Tories changes in local government. He noticed

Not least, the Alliance is open to the charge of being naive about constitutional reforms. Possibly It is the bit tune of the time, though there is not much evidence of it.

The point about constitutional

reforms, that should never be overlooked is that it is exceedingly difficult to put through two Rousea of Parliament, and gets in the way of other perhaps more urgent business. Besides, is the introduction of Besides, is the introduction of proportional representation really the cure for British ills? There might be other reforms needed to go with it: for instance changes to the House of Lords and the establishment of a fixed-term Parliament. One would like to see a much more considered statement of the Alliance view of the future of Alliance view of the future of constitution, ather than the blanket commitment to PR, and more open government.

Still, for the moment it is the Alliance that is making the running. It was probably re-warding for the Liberals to have held their assembly in Dundee, for they have struck another chord the revival of another chord the revival of Scottish nationalism, with a small "n." Tory fortunes in Scotland are below the parapet. It is not inconceivable that the Alliance would pick np Conservative seats at the election, though partly at the price of having promised a separate Scottish Parliament. Again, experience should remind us how difficult that is to implement.

There is another factor. noticeable both at Torquay and Dundee. It is the way Mrs Thatcher's Government on Thatcher's Government on longer gets much credit even when it has done well. The miners' strike tends to be remembered as an unfortunate blot and an attempt to impose too much responsibility on the police rather than as the defeat of Mr Arthur Scargill. Other parties want to claim the spoils of victory.

The political vocabulary, has Thatcher, too. Certain anti-Government references are almost bound to win applause. Lord Gowrie saying he could not afford to live in London on fig. 133,000 a year, Mrs Patrick Jenkin saying that the family house might have to be sold, because her husband had been Prime Ministers' own complaint about "moaning minnies."

Above all, the Government is repeatedly reminded that it turned down a no-strike agree-ment at the intelligence centre in Chitenham and has still not solved the problem. Compara-tively small matters perhaps, but cumulative.

It is as if the idea has spread that an era is ending, and that it is time for someone else to take over, which is odd in a way because at the bottom all parties are talking about the same subject; the need to reduce unemployment, to promote decentralisation, and to rely more heavily on micro-economic policies. It just seems that the Tories are going out of fashion.

Lombard

A blunt message from the U.S.

By Jonathan Carr in Frankfurt

Mr Richard Burt, the new U.S. emerging from the Harvard dis-ambassador to West Germany, cussions were particularly has made a good atart in his worrying all the same. The first ambassador to West Germany, has made a good atart in his job. On the same day be presented bis credentials to President von Webzsäcker in Bonn, Mr Burt flew on to pay his first ambassadorial wisit to West sadorial visit to West

The gesture has certainly gone down well with the Bonn Government and not least, with the Berliners themselves. It seems to underline an un-diminished American commit-ment to the freedom of West Berlin, and through that city to the defence of Western Europe aa a wbole.

It would indeed be nice to believe there had been no real change in the U.S. attitude that whatever the friction within the Atlantic Alliance on particular issues, the European Nato partners can continue to rely on the same level of commitment by the U.S. But a con-ference on European-American relations, just held by Harvard University's Center for International Affairs, suggests that would be a rash assumption.

Friction

Much of the discussion among government officials, academics and others from both sides of the Atlantic was remarkably civil, even on touchy topics like trade protectionism and the U.S. budget deficit. But things turned nasty on the defence issue, with the Americans insisting they could not go on bear-ing a "disproportionate" share of the burden in men, money and weaponry indefinitely and the Europeans stressing they were doing all they could. The debate became beated.

then froze with each side stun-ned at the size of the gap separating it from the othe So what's new? Hasn't Nato's history been marked by con-stant friction over "burden sharing" as well as by genuine crises such as France's decision to leave the military command structure? Yet the Alliance has survived and done the job it was meant to do, probably beyond the expectations of its That is true. But two points

Of course that does not mean Europe can simply be ignored by the Americans—but rather that a growing discrepancy is perceived between the value of Europe to the U.S. and the size of the defence commitment assumed on its behalf.

Naturally the response to that is that "Europe" as such does not exist—only nation states struggling painfully towards some sort of union, perhaps political, perhaps just "economic," some day, That reply does not go down too well in the U.S. these days. "That's your problem," one of the American conference participants, said conference participants said

OUT

Letters to the Editor

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le which cannot be which cannot be without periodic

> ichester Drire, NW4 a and Tina

it out "S. Castell -With regard to Mr P. ra's French (non)-equiva-7 TINA ("Tina'a opposite er." September 13) it be of interest to recall

equally ou controire, some ears ago I discovered and sed TESSA (there exist al simple alternativest. E (beaucoup d'nutres soluexistent) n'est-ce pas?) Stepben Castell. Jrange Rood, Wickhom ons, Withom, Esser.

nall firms must ave customers n Mory Berg —I find the Covernment's

 naive. Ol course small resses are important. Of to small husinesses can ire many more small busicessful. The reason why re more small businesses cmany and Japan is that are strong big business in those countries to s in those countries to smsll firms can sell. The -maligned British motor try buys from a wide of companies. many of n employ fewer thao 200 le. Each of the six prin-l car producers in Britain goods and services from cen 1,000 and 15,000 small

created, someone will seize

Mary Berg (Chief economist). Society of Motor Manufacturers and Traders, Holkin Street, SW1,

Advertising and the BBC

From Mr R. Brooks.
Sir.— Your correspondent's review (September 16) of the various submissions made to "the Peacock Committee" was a good summary of the external impacts of BBC advertising on the industry. A key question remains, which is this. Will advertising income enbace or degrade management systems which encourage and maintain its success?

Advertising income is uncertain in size and received after the production costs of the programmes are incurred. Currently the BBC receives an income agreed in advance of its come agreement and its common and its com production costs. Channel 4 currently enjoys a similar income stream from the ITV levy. These secure repaid re-imbursement systems bave encouraged management control systems and management philo-

ways, have produced notable The ITV companies carn their mory Berg

I find the Government's on the role of small busis in job creation (Septem 7) naive. Of course small esses are important. Of esses are important. Of esses are important. Of esses are important. Of esses are important of the production costs are income, together with the resulting production cutbacks. Indicate that the accountants domioate output in the short term in a way as yet unknown at the BBC.

It is not yet clear what here. crusts io an uocertain market

sophies which, in their own

It is not yet clear what hene-fits will accrue to the BBC's apan and Germany and re Britain only needs a small business sector to cessful. The reason why re more small businesses cmany and Japan is that while the internal benefits appear increasingly limited. Ray Brooks.

Management Centre. University of Bradford, Elm Lone, Brodford, W. Yorks.

Convert 'invest' into 'result'

From the Chairman, BTR Sir.—Well done Mr Bickford-Smith! tSeptember 171 and the ocsses.

The Government can best orage small firms by ining strong, profilable omers for new companies, business opportunities are

He has won-for himself the right to a free copy of the BTR 1984 report and, for our adver-tising consultants, their "posi-tive response" bonus. But we're not complaining-

nor are our shareholders.

Having beaten us, why not ioin us? Silvertown House Vincent Squore, SW1.

The closure of collieries

From Dr R. Hudson Sir,—Professor Myddelton (August 29) asks whether I seriously believe it would make economic sense to be keeping open today all the more than 3,000 British mines that were operating in 1913? This, of course, is a fairly meaningless question, oo two counts. Some of those mines would have become genuinely exhausted of workabic coal reserves over the intervening period and there is no doubt that under such conditions collieries would have to close. More fundamentally, the answer to such a question depends upon what one defines "economic" to be, what range of costs and bene-fits are included in the assessmeot Professor Myddelton and I continue to differ deeply on

in the debate about collicry closures. It concerns mechanisms through which collieries are made to be unecono-mic. As a report from this nniversity reveals, a series of managerial decisions within the National Coal Board effectively transformed Hordon, a long-life colliery with large reserves life colliery with large reserves of high quality coal, into one with currently very limited reserves of two to four years duration. The NCB also claims that the cotliery is unprofitable—although it refuses to release the most recent F23 statements for the colliery, which would show, whether, even in its own terms, this is so. Far from collieries becoming uneconomic as a result of naturally occuras a result of naturally occurring exhaustion of reserves of some hypothetical set of impersonal market forces, this report suggests that collieries cao be and are made "uneconomic" as a direct "uneconomic" as a direct result of oranagerial decisions. Having been made "uneconomic" in this way, the NCB then uses their "uneconomic character as the reason for closing them. The evidence of the liorden case raises a whole series of questions about the mechanisms through which mechanisms through which collieries become "uneconomic" even in the NCB's own terms, that are central to the dehate about the past performance and future prospects of the pratopulsed evel industry. the nationalised coal industry.
(Dr. R. Hudson. University of Durham, Science Laboratories, South Road, Durham.

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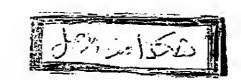
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Brussels calls for mutual recognition of laws

By Quentin Peel in Brussels

THE EUROPEAN Commission has proposed that all the member-states of the EEC grant mutual re-cognition to each others' laws afple, goods, services and capital, pending completion of a genuine

It is also calling for decision-making by qualified majority, in-stead of the present demand for unanimity, on virtually the whole range of issues still restricting the market.

The proposals were presented this week to the top-level officials drafting amendments and additions to the Treaty of Rome, the founding document of the Community.

In addition, the Commission ha spelt out its plans to bring the fields of high-technology and environ-mental protection into the treaty.

The draft treaty articles drawn up in Brussels would provide a very flexible framework for all forms of technological co-operation, so that member-states could participate in any manner of combinations - what is known as "variable geometry."

reka - the French inspired plan for research co-operation in fields like high-powered lasers and very large

On the environment, the propos-als would give the EEC the specific task of protecting the quality of the environment and human health and promoting a rational use of natural resources. Among the principles involved would be a commitment to promote preventive action and an insistence that the person or organisation causing pollution should pay for the damage.

The draft amendments are the first to be submitted to the committee of national representatives in Brussels, chaired by M Jean Donde-Brussels, chaired by M Jean Donde-linger of Luxembourg, which has to report to the EEC foreign ministers

The suggested that such a limit,
which would be applied through the

Most member-states have an-nounced their intention of submit-the tax disincentive needed to halt the decision-making process, the powers of the various European institutions, including the parliament and the Commission itself, and new

The Commission has submitted its proposals in the form of oew articles in the treaty rather than amendments to present articles, leaving the status of the existing rules on the internal market un-

It calls for the genuine commoo market to be established progressively by the end of 1992. The article calling for mutual recognition of regulations affecting people, goods, services and copital is presented as a safety net, giving the member-states an incentive to agree com-

The proposals are certain to be amended in discussion, possibly to insert a lot more detail ioto very general provisions. Moreover, there is still a wide measure of disagree-ment between the Ten on what actually requires treaty amendment

Australian tax reform package

Continued from Page 1

also be introduced from 1987-1988 to tax profits earned offshore io Australia, less a credit for tax paid else-

Personal tax rates will first come down from September 1 next year, with the second phase from July 1 1987, when rates will be 55 per cent, 40 per cent, 29 per cent and 24 per cent, with the tax-free threshold raised by AS505 to AS5100. This will see the average income earner payiog A\$15.20 less in tax each week. Additional measures to offset the

loss to revenue include adjustments to the wholesale tax rates and tighter controls or reduced benefits for

World Weather

U.S. outlines plans for curbs on EEC steel

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN Community yesterday started the search for means to fend off U.S. demands for a substantial widening of an agreement holding back steel shipments to the

At talks in Washington, Commis-sion officials heard for the first time the nature of a new steel trade restraint agreement the Reagan Administration would like to have in place by the end of next month. The U.S. wants a new agreement

to encompass not only 10 products subject to control in an accord reached in October 1982 that expires at the end of this year. It also wants to bring in a further 17 prodwans which, on the margin of that 1982 agreement, were subject to consultations in the event of higher shipments damaging to the U.S.

Of those 17 items, semi-finished products have not so far been subject to restraint. The rest were re-grouped into 11 products subject to a temporary restraint agreement running from last month until the end of this year. The Community has made clear that this temporary agreement should not be seen as a precedent for the future.

Officials in Brussels also said that the U.S. would like a new The purpose behind the changes would be to allow the Community to participate in schemes such as Eu-

The Reagan Administration would also like to bring in special steels. They were the subject of uni-laterally imposed U.S. controls in July 1983 that prompted EEC retalistion in the form of higher duties and quotas on U.S. non-steel prod-ucts. These measures run to the end

At the Weshington talks, the Commission took note of the U.S. demands but did not respond. The first reaction will come in another round of talks in Brussels next week. After that two further rounds are planned for October.

David Brown writes in Stock-holm: SSAB, Sweden's state-owned commercial steelmaker, has succeeded in reversing two points of a three-point countervailing duty case brought by the U.S. Commerce Department on certain Swedish

The International Trade Commission has voted to reject a new duty of 8.77 per cent on hot-rolled coil and heavy plate, of which Sweden sold 130,000 tonnes worth some SKr 450m (\$53.1m) in the U.S. last year.

However, it has upheld a counter-vailing duty on cold-rolled coil and sheet products, of which Sweden exported some 90,000 tonnes worth SKr 240m last year. This brings tha total duty to 14.9 per cent.

The group has not decided whether to appeal against the final

point before the Court of International Trade in New York.

SSAB officials have been lobby ing fiercely in Washington to re-verse the Commerce Department finding which, they claim, would have made profitable operations in the U.S. impossible. The Swedish Trade Ministry at-

tacked the decision early this month saying it had purely protec-

Mr Harry Lundberg the group's managing director, said: "This is a major success for SSAR." Another mpany spokesman said: "Wa expect now to continue selling most of these products, but at roughly un-changed levels."

was sparked by charges from U.S. Steel and other American produc-ers that the SKr 6.3bn in capital injections and loans received from the Swedish state in the early 1980s constituted a subsidy.

The Swedes have responded that the aid was within Gatt norms and that their competitiveness stems from extensive rationalisation modern production facilities and low raw materials and labour costs. · Ericsson, the Swedish telecommuniations and information group, has won a two-year contract worth \$20m to supply fibre optic cable to Pacific Bell. The equipment will be supplied by the group's Kansas-besed subsidiary. Ericsson Light-wave, in 1986-87.

UK Labour Party plans tough taxes on foreign investment

BY IVOR OWEN IN LONDON

AN INCOMING British Labour government would impose a harsher other pooled investment schemes which have foreign holdings in excess of 5 per cent of their total as-sets, Mr Roy Hattersley, the Shad-ow Chancellor of the Exchequer,

setting of annual targets over a two diments, involving the growth in the outflow of capital from Britain which followed the abolition of exchange control by the present Government.

Mr Hattersley, launching an upproposals for establishing a National Investment Bank to channel the repatriated funds into new and viable industrial projects, was adamant that it would not be necessary to introduce a fresh battery of

severe currency restrictions. He was restrained in complaining about the failure of existing finanany further decline in Britain's

pedatled when questioned about the likelihood of a hig-name bank or other credit institution being taken into public ownership to form the basis of the new National Invest-ment Bank.

Expressing a personal prefer-

ence, Mr Hattersley envisaged the

new body being superimposed on the existing lavestors in Industry organisation, a commercial loan bank partly-owned by the retail clearing banks and the Bank of His moderate tones and repeated

assurances brought a predictably acid response from Mr Norman Tebbit, the Conservative Party chairman, who renewed the charge dated version of the Labour Party's he made earlier in the week that contributors to pension schemes would be "robbed" through their money being used for forced loans to the National Investment Bank.

King Hussein is pressing for

more positive British support for his peace initiative, launched last February, and there are indications

that London might be preparing to distance itself from U.S. Middle

Throughout this week's visit to

Egypt and Jordan Mrs Thatcher

has been slightly shifting her ground on the critical issue of Pal-

estinian representation at future peace talks. She is also looking for

an international framework for peace negotiations which might sa-tisfy Jordan while excluding the Soviet Union.

She appears increasingly con-

vinced that the main wing of the

Palestine Liberation Organisation (PLO) is sincere in its desire for a

negotiated settlement of the future

of the West Bank and Gaza Strip

occupied by Israel since 1967.

Mr Hattersley described the pro-posed change in the tax treatment of capital invested abroad as simple and "just" and denied that a reduc-tion in the level of foreign investcial institutions to provide the investment capital needed to prevent duced rate of return.

He claimed that actuarial evimanufacturing base and soft- dence demonstrated that yield from

British investment was as high a

the foreign return. Absolute security would be guaranteed to that portion of the repairiated capital which was invested in the National Investment Bank. Deposits with it would be underwritten by the Bank of England and have the same security as govern-ment stocks. They would receive a rate of interest not lower than that which was currently the average

Mr Hattersley argued that the effects of capital returning to Britain would be to strengthen sterling and enable the Government to avoid policy of high interest rates.

The National Investment Bank would make loans at preferential rates of interest to viable projects. but less than 10 per cent of its investment would be below market rate levels.
Mr Hattersley confirmed that in-dividuals who invested excessively

in foreign assets, whether property bank deposits or securities, would also lose some of their existing tax exemptions. But he insisted that individuals with a holiday home abroad would not be affected by the

Palestinians give warm welcome to Thatcher

BY ROGER MATTHEWS IN AMMAN

MRS Margaret Thatcher, the Brit-ish Prime Minister, received the ther talks with King Hussein. first popular reception of her Middle East tour yesterday when she came close to being mobbed by enthusiastic crowds at a Palestinian refugee camp outside Amman, the

Thousands turned out to cheer Mrs Thatcher as she toured the camp on foot, visiting several homes, kissing habies and shaking numerous hands. Security men had to battle to keep back the crowds, and one of her bodyguards later ad-mitted that the walkabout had nearly run out of control.

At a meeting with community leaders of the 64,000-strong camp. Mrs Thatcher, looking flushed and animated, said that having seen the conditions under which they were living she could only marvel at their

The visit to the camp, perhaps significantly situated on the main

World Bank expects to boost lending

Continued from Page 1

with conditions designed to improve the economic policies of bor-rowing countries rather than to finance specific development pro-jects. Such loans are expected to ac-count for between 15 and 20 per cent of its operations in the 1985-87 period compared with nearer 10 per cent in the late 1970s. The U.S. is understood to have become less

sceptical about policy-based lending.
Disclosing details of where its funds are spent, the bank says that at the end of 1985 more than 65 per cent of its disbursements and those of the International Development Association (IDA) were spent out side the borrowing country. But during 1985 developing country suppliers "have become more effective in winning contract awards," re-ceiving 45 per cent of foreign pro-curement disbursements compared with 25 per cent up to 1981.

BMW acts on 'grey imports'

BMW, the West German car maker, savings, after conversion is paid for, yesterday acted to stem the grow- are not significant and that the reing tide of unofficial imports to sale value of the grey market cars North America by withdrawing is lower than for models sold warranty cover from all vehicles sold through the so-called grey mar-ket, writes Kenneth Gooding in

The company maintained it was legally entitled to take this action because the grey market cars were modified by organisations outside the control of BMW.

Unofficial importers claim they can save customers up to \$4,000 oo the \$16,400 BMW 318 at the bottom of the range and more on more ex-

through its 430 authorised dealers

The company offers a three-year or 30,000 miles warranty in North America, far ahead of the one-year or 10,000 miles warranty for most European markets.

Of the 71,000 BMWs registered in the U.S. last year, about 4 500 entered through the grey market, according to the company. However, this year the total is expected to jump to about 8,000, or 10 per cent of the 80,000 cars BMW hopes to sell

French bid to license smart-card technology to Japan

By Paul Betts in Paris

PRANCE is trying to sell its technology in "smart cards," contain-ing microchips for use in bank-ing and other electronic payment

M Roland Moreno, the French engineer who developed the French chip card technology, claimed yesterday that several leading Japanese companies were interested in acquiring the licence to manufacture "guard to the proproducture to the proprod

M Moreno suggested that the Japanese companies interested in the French technology are Ca-sio, Hitachi, Mitsubishi, Toshiba and Dai Nippon.

An eventual deal could involve the construction in France of a Japanese "smart card" manufac-inging plant. France has usually tried to persuade foreign inves-tors to set up manufacturing fa-cilities in the country as part of any technology co-operation or

France has achieved an unquestionable lead in "smart card" technology. Bull, the state-owned computer group, is supplying 12.4m "smart cards" between now and the end of 1988 to the French Carte Bancaire

on, the French state Thomson, the French state electronics group, meanwhile confirmed yesterday that it had signed an agreement with Olivetti and Acorn, the UK personal computer company controlled by the Italian concern, to collaborate on a new range of personal computers and develop a European standard for personal computers.

The French company has long sought a major collaboration venture with another European electronics company to enable it to compete against U.S. and Japancee manufacturers. It has also campaigned to establish a Euro-pean standard in personal computers to challenge the Japanese and American standards.

U.S. chocolate makers seek sweet revenge

By Nancy Dunne in Washington U.S. CHOCOLATE mauniacturers, saying they are fed-up with "sweet-talking Japan," may join the semiconductor industry in asking President Ronald Reagan to impose restraints on Japan imports in an effort to get market

Negotiators from the U.S. Trade Representatives office are meeting with their Japanese counterparts this week in Washington in an effort to resolve American complaints over the 28 per cent Japanese tariff on choc-olate.

Meanwhile the industry's trade organisation, the Chocolate Manufacturers Association of the U.S., is studying the possibility of filing a 301 trade case, which, if sful, gives the President the authority to restrain imports from these countries found to "unresecuably restrict" their

Chocolate has been under diswood products, telecommunica-tions, beef and citrus, as Amerinons, over an circus, as American negotiators have sought market openings in Japan. However, the industry was dismayed when chocolate was encluded from Prime Minister Yasuhiro Nakasone's action programme amounced on July 30.

U.S. manufacturers have asked Japan to match the American 7 per cent tariff, a move they say can be easily instituted because of the strength of the Japanese industry in its home market. Japanese confectionery manu-facturers hold a 97 per cent share of the domestic market, and 10 companies supply 90 per cent of that chocolate, they say.

An industry consultant complained that the Japanese re-fuse to make the politically unpopular choices" while President Beagan and Congress are expect-ed to refuse relief for the U.S. textile and footwear industries.

Mr Richard O'Connell, president of the chocolate manufac-turers, said that his group had worked hard marketing American checolate in Japan and had won acceptance by the Japanese consumer. But the Government's continued resistance to a revision of the tariff is "a first class demonstration of Japan's continning protectionist trade poliTHE LEX COLUMN

Food for thought from Rowntree

The reporting season of the main UK food manufacturing companies has not been a happy period, and Rowntree Mackintosh duly rounded it off on a dead note with reported to the other text down 8.1 per cent (at £29.1m) for the six months to midJune. The market took little interest; pleased the results were not worse, it marked the shares up 11p to 373p, where they occupy that twi-light zone of semi-plausible bid speculation that has been their ter-ritory since late 1983.

The City needs no reminding that Rowntree (no less than United Biscuits or Cadoury Schweppes) is adept at its bome businesses: the adept at its home businesses: the UK confectionery market falls into three equal parts that change only temporarily, if rather viciously, with the successful introduction of a new sweet. If there is a message from this reporting season, it is that the industry's expansion into the New World has yet to match its frontier expectations: reported U.S. profits, shorn of the translation gains of the 1981-84 period, are changing to average exchange rates, as Rowntree did last year, merely deprives stockbrokers of the

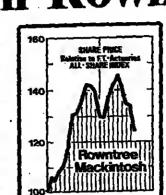
trading opportunity presented by regular revisions of forecasts.
Of course, a 6 per cent drop in
Rowntree's North American trading profits could be ignored except that it echoes the experience of so many others, from Dalgety to UB. And the City, which is ready and willing to stump up for the acquisition of sec-oud-division, low-growth, cash-generative U.S. businesses (such as UB's Californian olives this week) might reflect on Rownbree's experi-

ence with Tom's.

Rownize jeers at Cadbury for taking on the likes of Hershey and Mers in mainstream U.S. confectionery; but if Tom's has to delay price rises on the mute opposition of vending machines, one wonders where these vaunted U.S. niche markets are. Anyway, Rowntree seems no better off than Cadbury in a competitive Canadian market let alone, of course, in continental Europe. In the main U.S. food markets, the most conspicuous UK.

While retaining their exposure to player of substance – UB – has found that even such a splendid acquisition as Keebler can get itself those of its fellow property develop-

British Telecom



the effects of competition between its suppliers. Its first-quarter pre-tax profits of 6443m were comfortably ahead of market expectations and would have been over £10m higher had currency movements not pushed up its contributions to satellite consortia. The shares rose

Underlying costs have been kept well down, which has allowed tha impressive growth in both inland and international calls to feed almost straight through to the bottom line. Some of this growth, however, must be cyclical rather than structural, and it is not hard to envisage the effect of a turndown in the economy on a business like BT with fixed costs. The stock is by oo

end up both reducing prices and losing market share. So while the company is putting in as creditable a marks an end to a less than happy performance as it can, in the long- auction process, precipitated by er term the shares may react to circumstances beyond BT's control.

BPCC

to the total. In the six

rial on the iniquities of the print unions. Pre-tax profits rose 14 per cent to £11.43m, and the market marked the shares up 7p to close at PROPERTY.

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More interesting to shareholders was the statement about longerterm strategy, which will apparently involve selling off existing businesses which are not at the core of the company, and the acquisition of others, possibly in the U.S. This will puzzle shareholders by adding to both risk and opportunity.

If profits are hard to evaluate, earnings are harder still. Based on last year's profits which were not taxed at all, the shares stand on a p/e of under 7. On a notional 35 per cent charge, however, that rises to over 11. The stock market's bemusement with the company is probably best reflected in a pro-spective yield of over 10 per cent.

Agreed offers

are very tightly held, the market price may be little guide to its real value; what matters is the price at which control actually changes hands. Yesterday showed this twice over. The rapidly growing Frank Horsell lithography business was swept up by Cookson Group while eo route from an over-the-counter quote to a full listing; and Cookson Nor will it be immune to competition. Oftel is soon to publish its decision on allowing Mercury access to BT's network. To the extent that Mercury can choose to service only Rentals - that fell rather short of its the most profitable lines, BT may ruling share price on the USM. The unfortunate fale of Cass

auction process, precipitated by management fatigue and serious difficulties in its apparently attrac-tive corner as a distributor of Mitel telephone switches; with no other deal currently available, suspicious or exasperated minority shareholders are at least getting out above the original placing price. Minority institutional holders of Horsell will have no such qualms; and if share-holders of Cookson wonder at the embroiled in a cripplingly expen-sive battle with the giants for tions, while erratic, make quite a ing for Horsell, the deal has an evimonths to June there were none, it bigger share in a growth market as appears, though analysis is clouded well as less obvious advantages in since any activity breakdown has giving Cookson some very tax-effibeen supplanted in Mr Maxwell's cient UK earnings to soak up its Plessey and GEC may feel put up-on, but British Telecom is enjoying interim statement by, something ACT, and some dollar exports to off-on, but British Telecom is enjoying more reminiscent of a Mirror edito-set against its existing import bill:

Bovis Construction wins £70,000 building contract.

66 Would you kindly repeat that - left a few noughts off have we???

66 No mistake. During 1984 and 1985 we've also been appointed for projects costing £103,000, £50,000,£120,000,£100,000,£250,000...>>

66 But...??

\$\limins\$\tag{168,000, \pm\$73,000, \pm\$96,000, \pm\$100,000...\$?

66 But, but... ??

66 Stop! I thought Bovis Construction only took on multi-million pound Management Contracts and that projects of this size didn't get a look in. But
I'm obviously wrong.?

66 Obviously. ??



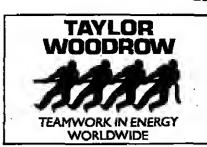
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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Friday September 20 1985



U.S. CUSTOM SEMICONDUCTOR MAKER PUSHES AHEAD WITH EXPANSION PLANS

LSI Logic plugs into Europe

BY JOHN DAVIES IN FRANKFURT

STEP BY STEP, the ambitions plans of LSI Logic, the U.S. based semiconductor company, are being pushed ahead in Europe and Asia. As part of its global strategy, LSI Logic selected Brunswick in West Germany earlier this year as the site for a DM 150m (\$52m) plant to make custom and semi-custom

More recently, it linked with Kawasaki Steel in setting up a joint subsidiary to build a similar \$100m actor plant in Japan by mid-1987.

In addition to its U.S. operations, these moves will give LSI Logic strong regional bases from which to build up its already fast-growing

I.SI Logic was started up in 1980 by Mr Wilfred J. Corrigan, formerly chief executive of Fairchild Camera and Instruments, to specialise in logic devices to meet individual resirements of customers rather quirements or customers than standard chips. It quickly gained a dominant position in the market for gate arrays, a basic building block for computer logic

The group's sales revenue rose 143 per cent to \$34.5m last year, while sales in the first half of this year at \$64.1m were up 81 per cent on the comparable period a year

facturers have run into problems with the recent slowdown in sales, markets for custom and semi-cus tom chips have held up relatively well. LSI Logic is pressing on with its place to meet what it expects to be strongly rising demand.

Mr Robert Blair, president of LSI Logic's UK-based holding company for Europe, said that "ground-breaking" work for the Brunswick factory would start in the first quar-ter of next year. LSI Logic opted for unswick after closely looking at Wales as a possible site.

The Brunswick plant, including wafer fabrication, assembly and testing, would employ up to 300 workers, Mr Blair said.

He said that LSI Logic was also planning to open more design cen-tres in West Germany and other countries to provide software and other specialised support for cus-tomers to help them develop integrated circuits for their own re

In addition to its design centre at Bracknell in England, it opened a design centre in Munich last year, was about to open one in Düsseldorf, and would open one in Stattgart early next year. Others would be set up in Paris, Stockholm, Scot-land and Israel. "We must have de-

gy, LSI Logic has set up regional holding companies in the UK for Europe and in Japan, alongside the U.S. company, with its headquar-ters in Milpitas, California.

Executives indicated that the European holding company might be launched on the stock markets in London and Frankfurt within a year or so, although the decision would depend partly on market con-

The U.S. group's strategy has been to seek local acceptance in Europe and Japan by already opening up its regional companies to outside investors through private place-ments. Outsiders hold just over 20 per cent of the European company and about 30 per cent of the Japanese company.

Among the shareholders in LSI Logic Europe is the West German venture capital concern, WFG Deutsche Gesellschaft für Wagniskapital - which is owned by the big banks (Deutsche, Dresdner and Commerzbank) and by the Westdeutsche and

Bayerische Landesbanks. Herr Karl-Heinz Fanselow, there capital concern had acquired of the decade, according to LSI about 500,000 shares and was the

While some standard chip manu- sign centres near customers" he fifth largest investor in LSI Logic

Herr Fanselow said that this stake reflected WFG's new policy of diversification by investing abroad. It had also made some investments in the U.S. he said:

In the difficult Japanese market LSI Logic has been making strenuous efforts to obtain local help in becoming entrenched.

As chief executive of its Japanese affiliate it succeeded in attracting Mr Keiske Yawata, who already had a strong local profile as a senior executive of Japan's NEC Corporation for 26 years. LSI Logic's partnership with Kawasaki Steel will also speed up its breakthrough in the Japanese market, according to Mr Corrigan.

Kawasaki Steel, with sales of \$4.9hn in its business year to March 31, has joined LSI Logic in forming a company called Nihon Semicon-ductor that will produce silicon wafer and semi-custom chips under licence from LSI Logic. The workforce is expected to reach about 250

While the initial cost of the Jana nese plant is put at about \$100m. to-

Vicks new share plan blocked By Our New York Staff

UNILEVER, the Anglo-Dutch group, yesterday won a round in its fiercely contested \$1.3bn two-tier takeover battle for Richardson-Vicks, the U.S. skin and health care group, when the U.S. courts temporarily blocked Richardson's plans to issue new

voting rights stock.

A federal judge in New York issued a temporary restraining order against Richardson's plans to issue new preferred stock, in the form of a dividend to existing shareholders — a key part of the Connecticut-based group's hasti-ly assembled and highly complex

nti-takeover defences. Judge Richard Owen noted he stage factors to wen noted as was issuing the temporary re-straining order, which had been sought by Unilever in the immediate wake of Richardson unveiling the takeover defence, on the basis of learn and description.

The ruling helped spur very beavy trading in Richardson-Vicks stock yesterday morning and helped mel renewed speculation on Wall Street that Unilever might succeed in its bid, perhaps with a sweetened offer. Richardson's stock was un-changed at \$49 a share at hunchtime with 29m shares changing hands. Judge Owen noted that the new preferred stock had not been approved by Richardson-Vicks' shareholders and that the company's by-laws had not been changed to provide additional voting rights to existing share-

The judge set a hearing for next Thursday on a move by Un-ilever to obtain a preliminary inmetion against Richardson-Vicks taking steps to thwart its tender offer. Unilever has offered \$56 a share for Richardson-Vicks, if the company's board approves the offer and \$48 a share

Richardson Pieroth sales to show impact of wine scandal

BY RUPERT CORNWELL IN BONN

PIEROTH, the biggest West Ger-man wine merchant and a leader in withdrawal of contaminated wines contained 32 Pieroth wines. direct wine sales to the public, is bracing itself for a prolonged slump in sales as a result of its involvement in the devestating scandal over Austrian wines doctored with the chemical diethylene glycol. At the same time, Herr Kuno

Pieroth, the firm's chief executive, announced that Herr Klaus and Herr Dieter Pieroth, two other members of the family in senior management posts, were resigning, while up to 150 of the concern's 3,600 workfarce would have to lose In financial terms, the damage

caused by the scandal will see a cut blended in its cellars with contamithis year of between DM 50m nated bulk wine from Austria.

(\$17.3m) and DM 60m in Pieroth The "black list" of danse

marketed by the company alone

this year, despite having operated profitably until the scandal broke in that whatever the outcome, the early July. Herr Peter Winter, a company had already decided to new director, estimated yesterday strengthen its internal control that it would not be until 1988 that mechanisms, and impose stricter sales returned to the level of last checks on wines delivered to its

Pieroth was doubly implicated in sweetened with the poisonous of the affair. We accept our overall diethylene glycol but that some of responsibility towards our customits German wines were improperly

(S17.3m) and DM 60m in Pieroth The "black list" of dangerous more than 200 employees face sales, compared with the DM 640m wines published this summer by short-time working from October

will have cost DM 30m to DM 40m. possible breaches of the country's wine laws at Pieroth are still in progress. But Herr Winter declared

Herr Kuno Pieroth apologised for

Taubman raises

By Paul Taylor in New York

\$650m

MR ALFRED TAUBMAN, the U.S. property developer and chairman of Sotheby Holdings, the Londonbased fine art auctioneers, has raised \$650m through a major institutional refinancing deal using his stake in 17 regional shopping cen-tres, valued at \$250, as collateral.

ws of the refinancing deal prompted speculation on Wall Street that Mr Tanbman, who has been expanding his business interests sapidly in recent years includ-ing the \$130m acquisition of Sotheby's two years ago, might be preparng for another major acquisition. Under the terms of the refinanc-

ing deal, two major U.S. pension funds General Motors and AT&T. which have lent the Taubman group \$650m, will have an uption eventually to become a 50 per cent limited partner in Taubman Realty. a limited partnership formed to execute the refinancing. The equity option can be exercised after 1997, meanwhile the Taubman group will continue to manage the properties, said to be among some of the best regional shopping mails in the na-

By structuring the deal as a refinancing with an equity option Wall Street experts noted that the Taubman group will have succeeded in realising some of the equity built up in the shopping centres without in-curring any substantial capital gains liability.

Sterling loan deals for two UK companies

By Peter Montagnon in London

Two more British companies, Harrisons and Crosfield and W.H. Smith, are arranging loan facilities in the sterling tankers acceptance and short-term advances market. Both deals are led by Baring

Harrisons and Crosfield, the overseas trading concern, in raising £130m over five years through a facility designed to refinance its existing debts at lower cost. Terms of the deal, of which £110m is committed by underwriting banks, allow funds to be raised through the issue of sterling acceptances or dollar or sterling bank advances.

The facilty carries an underwriting fee of % per cent. The maximum commission on acceptances is 20 basis points, the same as the maximum yield on advances.

W. H. Smith is paying a slightly higher underwriting fee of 15 basis points for its £80m facility which is to finance its recent purchase of the Elson chain of newsagents and gift shops in the U.S.

The higher fee reflects the fact that the facility is relatively long for the sterling market at seven years. Of the total committed by

Maximum commission on sterling acceptances sold under the fa-cility is 20 basis points for the first four years rising to 25 basis points thereafter. Maximum margins over London interbank offered rate (Libor) are the same for dollar or ster-

Runaway success for Vienna flotation of Lenzing shares

BY PATRICK BLUM IN VIENNA

THE demand for shares in Austria's Lenzing AG, one of the world's leading producers of viscose and modal fibres, issued on the Vienna stock exchange for the first time yesterday, exceeded twice the value of the company's Sch 245m (\$12m) nominal capital, according to Osterreichische Länderbank which holds a majority holding in

Shares traded at over four times their nominal value and were snapped up rapidly by eager investors. Altogether shares with a nominal value of Sch 45m representing per share rather than per cent about 18 per cent of Lenzing's share movements, as is traditionally capital are being offered to the public. Only part of these were offered esterday, with some shares held back for trading in the next days by the two main shareholders Länderbank and Creditanstalt Bankverein.

per cent for Creditanstalt. Länder-bank said yesterday that more shares in the company may be sold

on the bourse this year and there was some excitement in the usually subdued trading hall of the Vienna bourse as investors waited for the quotation price to come up on the screens, Applause followed the au-nouncement that Sch 100 shares were trading at Sch 420. The issue also makes bourse history since it is the first to be quoted in schillings done. From next January all share quotations will be in schillings per

tional interest in the shares with offer extended Until yesterday Länderbank held ing centres, banking sources say about 62 per cent of the shares in This latest share issue and another the company's nominal capital and due today for Jungbunzlauer, an Creditanstalt 33 per cent, with the Austrian biotechnology group, remaining shares held by smaller whose shares will also be placed in investors. The two banks are reduc-ing their shareholding to just under the Vienna bourse which has seen 51 per cent for Länderbank and 26 prices rocket in the past 18 months.

Lenzing reported a successful year in 1984 paying out an 11 per cent dividend on share capital of Sch 210m. Its turnover was Sch 4.6bn up almost 18 per cent on the This is the first new share issue previous year, Turnover this year is expected to reach about Sch 5bn some 80 per cent of production is

> The last two years have been exceptionally good for the company although it is now facing more diffi cult international market conditions as well as having to make subcreasingly tight environmental controls. These are expected to cost the company at least Sch 1.5bn during the next four years.

There has been strong interna- Bond corporation

BOND Corporation Holdings of Perth has extended until February 19 its A\$1.2bn (U.S.\$820.2m) bid for Castlemaine Tooheys, the Australian brewing group of which Bond said yesterday it now owned 86.6 per cent, Our Financial Staff writes.

EUROBONDS

Abbey National issues two-tier sterling floater

THE ABBEY NATIONAL became the third of the UK building socities to launch a Eurosterling floating rate note yesterday, tapping the market for an initial £150m with a further £100m available to be sold after April 1986.

Lead manager Samuel Montagu set the interest rate at %s per cent over three-month London interbank offered rate (Libor), the same as for Halifax and Nationwide's deals, with the same commissions of 40 basis points. The maturity is longer at 15 years, but investors have a put option after seven years. The bonds were bid at 89.65, the level where co-managers own them. The World Bank launched its ex-

pected jumbo zero coupon issue in the Swiss franc market, led by Mor-gan Guaranty (Switzerland). The redemption value is Swir 600m with a life of 30 years. Issue price is 18.69 to give a yield to mapurity of 5% per cent. Some traders thought this a touch low for the maturity but Morgan Guaranty points out that with a zero investors

do not need to worry about reinvesting coupons. Zero offer greater volatility than fixed rate bonds and against the background of a strong monetary policy, inflation in Switzerland is falling, says Morgan Guaranty. The World Bank is a frequent borrower in Switzerland, however, and investors have plenty of choice of coupon

paying issues. In the Eurodollar sector fixedrate bonds weakened slightly again with traders now looking to today's U.S. third-quarter GNP figure to

judge the state of the economy.

Previous 105.242

the figure. The \$100m issue matures in January 1996, giving a

The Municipal Finance Authority of British Columbia launched \$50m issue in the morning through Credit Commercial de France. This is likely to find buyers among retail rather than institutional clients. The coupon is 11% per cent, with a par issue price, for 15 years. Then the coupon can be refixed for five more years with investors having a put option. Fees are 2% per cent and the bonds were trading comfortably within that discount.

A big buver was said to have encouraging other floaters to move

Great American First Savings Bank, a California savings and loan association, launched a \$100m seven-year FRN which is backed by Ginnie Mae and other U.S. government agencies, giving the bonds a

The institutional investors who buy floaters do not object to the reg-istered form the backing requires. Ford Motor Credit was brave The interest rate was set at % per enough to launch a deal ahead of cent above six-month Libor and,

sue proved popular. The bonds were bid at 99.84. Lead manager is Credit Suisse First Boston.

Bank Leumi (UK) launched a \$10m perpetual floater paying interest at ½ per cent over Libor. The "shogun" market - non-yen

bond issues launched on the Tokyo short first coupon. The coupon rate was set at 11 per cent and issue price at par by Goldman Sachs.

Fees total 2 per cent and in early sets total 2 per cent and in early 160% and led by Yamaichi Securidomestic market - is expand ties. Meanwhile another Australian borrower, Victoria Public Finance Authority, launched a AS60m seven year deal through Daiwa Securi-ties. This pays 13% per cent and is issued at 99%. Fees on both deals total 1.8 per cent. A Canadian dollar deal could be the next new currency launched there, with Quebec the

In the D-Mark market BHF-Bank led a DM 150m issue for Österreichische Elektrizitätswirtschaft, the Austrian power utility. Terms were fixed at a 10-year life with a 6% per come in for the UK floater and the cent coupon and par issue price, price moved up to 99.80 yesterday, The issue was trading around 98% yesterday, in a weaker market where secondary market prices fell

> In the Swiss franc market, apart from the World Bank's issue, UBS set final terms for the SwFr 100m 10-year issue for Portugal at a 6 per cent coupon as indicated but with a 100% issue price.

The secondary market was unchanged on average in low turn-

Page 24

SEL to start VCR production in Italy

state-owned company Ristrutturaz-ione Elettronica (Rel). to the new company. For the first five only years Vidital will have to

about 450 people and output will rise from 50,000 units in 1986 to full production of between 200,000 and 250,000 annually.

Pay into the bar to that at only is per cent of prime rate.

Rel was established in 1982 to breathe new life into the Italian consumer electronics industry after several companies got into serious

this year should reach 200,000, Italian company Autovox. double the level of 1984, and that in

3946, an SEL product aimed at the receiver.

STANDARD Elektrik Lorenz, the middle range of the market. STANDARD Elektrik Lorenz, the middle range of the market.

West German arm of ITT, is to start

West German arm of ITT, is to start

Vidital is owned 51 per cent by manufacturing video-recorders in SEL and 49 per cent by Rel. Its capirone in December. SEL has set up tal will amount to L8bn (\$4.2m) and a joint venture with the Italian Rel will make a soft loan of L3bn five only years Vidital will have to The plant, Italy's first for the pay interest on the loan at only 15

Italy has so far proved to be one difficulties in 1979-80. It is involved of the weaker markets for VCRs in in a new colour television manufac-Europe, and only 600,000 have been turer named Seleco, and in a sold to a possible 19m households, scheme for the manufacture of car However, SEL believes total sales radios involving Pioneer and the

Vidital is at present recruiting the next 10 years the market will factory workers. A number of these absorb 6m to 7m VCRs. are likely to be former employees of
The new juint venture, called Vidital, will produce the Eurocroder control of a government-appointed

the affair in thet not only did it the way in which the company had market some purely Austrian wines attempted to "play down" the extent sweetened with the poisonous of the affair. "We accept our overall

> ers and the general public," he In addition to the redundancies,

Banks unhappy with Baldwin reorganisation

By Our Financial Staff

OBJECTIONS have been made in a U.S. Federal Bankruptcy Court to the proposed reorganisation plan for Baldwin United by eight banks which claim they are owed about

Manufacturers Hanover Trust, which filed the objection, said that in 1982 the banks lent the financial services group, now operating un-der Chapter 11 of the U.S. Bank-ruptcy Code, \$584m. this was used to help purchase MGIC investment, a mortgage insurance company. Mr Joel Zweibel, a h. ayer for Manufacturers Hanover, said the reorganisation plan did not provide for any exact amount to be paid to the banks, Instead, Baldwin's plan calls for major creditors to receive a combination of cash notes and stock that will be valued at 45 to 55 cents on the dollar.

NEW ISSUE

These Notes have not been registered under the United States Securities Act of 1933 and may not be offered or sold in the United States of America or to nationals or residents thereof. These Notes having been sold, this announcement appears as a matter of record only.

AUGUST 1985

U.S. \$150,000,000



Inter-American Development Bank

101/2% Notes Due 1995

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Union Bank of Switzerland (Securities) Limited

INTERNATIONAL COMPANIES and FINANCE

This announcement appears as a matter of record only.



Commercial Paper Program

Imasco Holdings, Inc.

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MORGAN STANLEY & CO.

September 10, 1985

Ahold profits up at seven-month stage

CCF ahead at midway

ere FFr 103m (\$11.0m), a rise of 35 1984. At the same time, extraordi-

deposits in favour of non-remuner- were unlikely to duplicate the first and sight deposits, net interest in- half. For all of 1984, CCF had con-

676m, up 46.6 per cent. But the bank's net contribution to

nary gains fell to FFr 5.7m from

South African

POTENTIAL investors are being of-fered a "rare opportunity" to partici-pate in the high-risk gold explora-

unis to 8.5m of the 11.54m nom-

nesburg and London stock ex-

changes starts on Monday September 30 and will last for three weeks.

The remaining shares will be tak-en up by Southern Prospecting, the minority shareholder in Rand Extension, with a 25.3 per cent hold-

The R17.5m to be raised by the issue, plus Rand Extension's explora-tion funds of around Ram, will fi-

nance the company's exploration activities for at least the next five

years. The major portion will be spent on joint ventures with Johan-nesburg Consolidated Investments (JCI), Randfontein Estates and

Mr Ted Grobicki, managing di-rector of Rand Extension, and Mr Chris von Christierson, managing director of Southern Prospecting

describing the offer as a Tere op-portunity for investors to partici-pate in a minor way in the on-going boom in gold mine exploration

The total rights issue is under-written by UAL the merchant bank which reports that sub-underwrit

ing was over-subscribed in South Africa and that it has had to ration the amounts granted to both local and European sub-underwriters.

Newmont Mining.

exploration

stock issue

BY OUR FINANCIAL STAFF

AHOLD, the Dutch food retailer, re- 6.5 per cent in the period compared ports good profits and sales prog- with a year earlier, while U.S. sales ress for the first seven months of climbed 9.3 per cent. 1985 and says earnings overall this Abold also proposes a four-for-

Net profits for the period rose by traordinary meeting of sharehold7 per cent to FI 62.1m (S19.1m) on ers has been called.
n increase in turnover to FI 6.55bn. The rights issue planned by
gainst FI 5.75bn. For the whole of Billmann-Tetterode, the diversi-

in revenue was derived from for-eign exchange gains, while F1 5m of nounced a 72 per cent rise to F1 18m ngs rise reflected favourable in first-half 1965 net profits, says reflects. earnings overall this year will show

ture and a rise in net interest in-

swing and funds flowing out of term.

come rose 17 per cent to FFr 23.

FT INTERNATIONAL BOND SERVICE

0 + 912 513 +1 0 548 - 01a - 012 646 + 95a - 75a 570 + 012 - 01a 534 0 + 014 645 ELLS, 5% ov.
Gino Chrolderhale 4% \$4
Greedale Fed.SSL 5% 95
I C industries 5% \$4
Ion — Am Day 35: 5% 94
Ion — Am Day 35: 5% 94
I.Zestund steel 5% \$5
Relation Purins 5% \$5
Relation Purins 5% \$5
Relation Purins 5% \$3
Tokyo Metropolis 5% \$3
Tokyo Metropolis 5% \$4
Mineric Bit 50, \$4 2 8 + 6% EAS - 6% + 1% 5.00 + 6% + 6% 5.00 8 0 5.00 8 0 5.00 9 0 0 5.00 0 + 6% 5.00 0 + 6% 5.00 - 6% 6.00 - 6% 5.00 - 6% 8 5.32 - 6% 8 5.32 - 6% 8 5.32

BASF Aktiengesellschaft

through various wholly owned subsidiaries has acquired

The Inmont Group of Companies

a wholly owned subsidiary of

United Technologies Corporation

The undersigned acted as advisor to BASF Aktiengesellschaft in this transaction.

MORGAN STANLEY & CO.

August 21, 1985

EUROPEAN TRADED OPTIONS

Tuesday Wednesday Thursday Friday

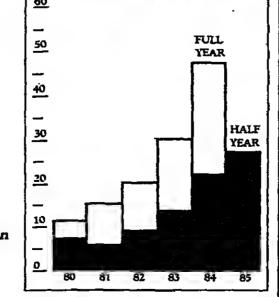
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PRE-TAX PROFIT & MILLION

- * Profit £27.3m up 23%
- * Interim Dividend 3.2p per share - up 33%

66 I am confident that 1985 will again be another year of substantial progress and growth for the Laporte Group.))

...R. M. Ringwald, C.B.E. Chairman



LAPORTE

Specialist Chemicals and Related Services - Worldwide Laporte Industries (Holdings) PLC, Hanover House, 14 Hanover Square W1R OBE. US\$100,000,000

MARINE MIDLAND BANK, N.A.

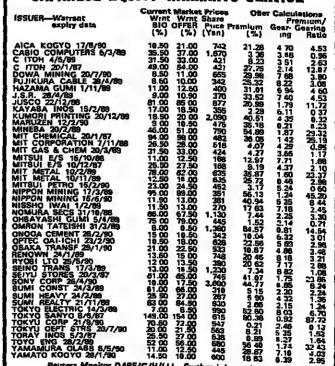
Negotiable Floating Rate Dollar Certificate of Deposit due 1986



In 'Accordance with the provisions of the certificates, notice is hereby given that the rate of interest for the three months 23rd September 1985 to 23rd December 1985 has been fixed at $8\frac{\pi}{16}$. per cent per annum.

> HONGKONG BANK, LIMITED INTEREST DETERMINATION AGENT

DAIWA EUROPE LIMITED JAPANESE EQUITY WARRANTS SERVICE



Reuters Monitor DABF/G/H/I/J - Further info Freddy Glock, Beverly Kelly or Edward Cartwright on 01-248 8080 Dalwa Europe Limited, 14 St Paul's Churchyard, London EC4M 88

19th September, 1985

Daiwa Europe Limited

Handelsbank N.W. (Overseas) Ltd.

The Taiyo Kobe Bank (Luxembourg) S.A.

Banque Indosuez

These securities have been sold outside the United States of America and Japan. This announcement

NIPPONCOINCOCO.LTD.

NIPPON COINCO CO., LTD.

(Kabushiki Kaisha Nipponcoinco)

(incorporated with limited liability under the Commercial Code of Japan)

U.S. \$20,000,000

3¼ per cent. Convertible Bonds 1992

Issue price 100 per cent.

Nomura International Limited

Yamaichi International (Europe) Limited

Bergen Bank A/S

(Incorporated in the Kingdom of Norway with limited liability)

NOK 40,000,000

Depositary Certificates due 1990

it appears as a matter of record only. :

INTL. COMPANIES & FINANCE

New products help Sony to lift sales by 12%

BY YOKO SHIBATA IN TOKYO

SONY, the Japanese electronics group, drew benefit in its third quarter to July from sales of new product lines stab. new product lines such as compact disc players and the recently developed 8mm format for video cassette recorders (VCRs).

Demand for these aided a 12.6 per cent growth in overall consolidated sales to Y349.4bn (\$1.4bn) against the same period last year.

Comparative net profits were

affected, however, by a Y4bn special credit last time, reflecting the sale of shares lo Sony Magnescale, a subsidiary. The net earnings were 9.2 per cent account for 74.2 per cent of 74.2 per c

Monier shows

strong growth

MONIER, the Australian building products group in which Redland of the UK has a stake of some 46.6 per cent, yesterday announced a 35.7 per cent rise in net profits to A\$31.04m (U.S.\$21.2m) for the year to June and a one-for-10 scripissue.

The bonus will rank for the maintained final dividend of 5.5 cents a share, a payment which leaves the total for the year unchanged at 11 cents. A

one-for-10 scrip was also made at the same time last year.

The aarnings advance was achieved on a 25.3 per cent rise in sales to A\$659.5m, and was

further assisted by extra-ordinary credits of A\$3.15m.
This brings the attribotable result to A\$34.19m compared with A\$25.17m.

For the current year, the

group said non-residential con-struction in Australia was

expected to remain strong, off-setting any decline in housing

starts. In North America, which accounted for 23 per cent of 1984-85 profits, its roofing and

the year totals 19.2 cents a share against 16.5 cents.

ing facility, which will allow it to issue U.S. dollar Eurocotes

By Our Financial Staff

for year

with Y40.3bn.
Operating profits, by contrast, were up Y1.9bn to Y35hn.

Strong sales in the U.S., up 12.6 per cent to account for 36 per cent to account for 36 per ceot of the total turnover, and in Europe, up 21.4 per cent to account for 6.6 per cent of the total, pushed up Sony's overseas sales by 16 per cent to account for 74.2 per cent of overall sales, Domestic sales, meaowhile, rose only 2.5 per cent.

travel agency By Tom Burns in Madrid of VCRs in its existing range. This resulted in a 0.4 per cent SPAIN'S public sector holding comdrop in turnover of the video pany, the Instituto Nacional de In-dustria (INI), has sold the travel agency Viajes Marsans. The sale of Viajes Marsans,

equipment sector, which repre-sents 34.9 per cent of the total furnover.
For the full year, Sony expects to maintaio value sales in the sector by stepping up moothly production of 8 mm VCRs from the current 180,000

unions and the left wing of the governing Socialist party.

A mid-week cabinet decision approved the purchase of Viajes Mar sans by Transatur, a fast-growin Big improvement at Syme travel company, founded in 1972 which has so far concentrated mainly on bus tours. Marsans which has 44 offices in Spain and a further 11 outside, was absorbed by INI in 1964 when it began to lose

which is the oldest travel agency in

Spain and has a 5 per cent stake in the domestic tourist market, was

considered a test of INI's commit ment to privatising selected assets

in the face of opposition from trade

INI sells

Spanish

NEW ISSUE

money heavily.

The company's losses last year stood at Pta 456m (\$2.65m) after INI had injected some Pta \$66n over the past five years to refloat it.

Transatur paid Pia \$907m for out-right control of Viajes Marsans. Next on INI's privatisation sched ule is the group's chain of luxury hotels, known as Entursa, which is separate from the Parador network of state hotels owned by the Tourism Secretariat.

Three Entures hotels, which are state monuments in their own right the Reyes Catolicos in Compos the San Marcos in Leon and La Mu ralla in Ceuta, are to be absorbed by the Parador network, but INI has invited bids for nine other Enturs

Among possible buyers for Entur-sa hotels, which include the Alfonso XIII Grande Luxe in Seville, are the Spanish group Sol, which earlier this year bought the Hotasa chain from the expropriated Rumas group and the Italian group Ciga.

Firestone closures to cost \$100m

second largest U.S. tyre company expects restructuring of its North American tyre operations to result in pre-tax charges of about \$100m against earnings for fiscal 1985.

wa, where it intends to consolidate its agricultural tyre production. For the whole of 1983-84, Fire stone's net earnings were \$102m.

CCB Mortgage funds frozen

freeze on the deposits of the Edmonton-based CCB Mortgage Investment Cororation for 45 days to give the corporation time to try to

The corporation's difficulties were prompted by the recent failure of the Canadian Commercial Bank, Edmonton. CCB Mortgage is owned

> CREDIT NATIONAL £100,000,000 Guaranteed Floating Rate Notes 1995 Unconditionally engranteed as to payment

of principal and THE REPUBLIC OF FRANCE

Hambros Bank Limited Apeut Bank

JOHN FAIRFAX, the Australlan media group, pushed up net profits. arnings by 40 per cent, to A\$43.04m (US\$29.4m) in its June 30 year after a substantial increase in the contribution from David Syme and Co, its melbourne publishing offshoot. The improvement at Syme, Publisher of The Age newspaper, and by the group's paper, and by the group's programme costs.

boosts Fairfax results

The improvement at Syme, Publisher of The Age newspaper, and by the group's Sydney newspapers — which include the Sydney Morning Herald and the Australian Francial Review — more than Financial Review — more than offset a second-half decline from its television interests and lower returns from radio and magazines.

Syme, in which Fairfax moved from \$4 per cent to 98 per cent dividend, pownership by the year-end, lent total of lifted its net earnings from 15.64 cents A\$4.73m to A\$70.03m to provide 10.71 cents.

programme costs.

Total revenues were up 20 per cent from A\$595.5m to A\$715m with pre-tax profits ahead 50 per cent from A\$52.2m to

A\$78.5m. Interest charges were A\$15.9m against A\$14.7m
A two-for-seven bonus issue is proposed with new shares ranking for the 7.5 cents final dividend, producing an equivalent total on year-end capital of 15.64 cents against an adjusted

. The latest result was after a A\$1.4m fall in interest charges

\$3,000,000

NOTICE TO THE HOLDERS OF

DAIMA SECURITIES CO. LTD. (Teles Shekry Kabushild Kulsha) 5½% Convertible Bonds Due 1996 (the "1996 Bonds")

51/% Convertible Bonds Due 1998 (the "1998 Bonds")

Conditions of the above oversioned Boards, notice is pereby given as follows:

1. On 13th September, 1385, the Board of Directors of the Company resolved to make a free distribution of shares of its Common Stock to shareholders of record as of 30th September, 1385 in Japan, at the rate of 0.03 new share for each share held.

nent to Condition 5 (C)(xil) of the Terms as it loss of the above-mentioned Boarle, see

Myer Emporium pushes earnings ahead by 17%

swan song as an independent

Australian National Industries (ANI), the diversified industrial group, lifted net profits 18 per cent in its year to June, to reach A\$46.04m, on sales which moved up 8 per cent to A\$1.1bn. The dividend for the year totals 19.2 cents a share force in the Australian retail market. The group will soon be wholly owned by G. K. Coles, whose A\$1.1bu takeover offer closes ANI, which has interests including engineering, metals, and vehicle retailing, has in recent weeks set in place a US\$125m revolving underwrit-

and domestic paper.
In the latest year, a higher tax bill of A\$30.8m against A\$24.7m was partially offset by an A\$2.1m dip in depreciation charges to A\$21.4m.

THE Myer Emporium has pro-duced a 17 per cent increase great loss to net margins, which in annual net earnings to dipped from 1.49 per cent to A\$50.8m (U.S.\$34.8m). its 1.46 per cent.

\$1,000,000

substantial increases in future.
Myer increased market share

However, the latest net result benefited from a reduction in tax frem A\$38.5m to A\$34.4m. Directors said the pre-tax slip-page resulted from extremely competitive conditions as well as markdowns in winter cloth-

As markdowns in winter clothing after unseasonably mild weather in the southern areas to its recent re-organisation and said it was positioned for significant long-term benefits.

The company is expected to earn perhaps Assom for the cent and profit by 12 percent. said it was positioned for significant long-term benefits.

The company is expected to earn perhaps ASSOM for the current year, with steady and

for the period, with turnover to A\$78.4m while depreciation up 19 per cent to A\$3.47bn. It was A\$5.7m higher at A\$49.1m.

NOTICE OF CALL AND REDEMPTION To the Holders of

The Bank of Tokyo, Ltd., Portland Branch

Incorporated with immediability in Japan!

US\$3,000,000 Callable Negotiable Floating Rate

Certificates of Deposit due October 7, 1986 (the "Certificates")

Notice is hereby given that, pursuant to the provisions of the Certificates, The Bank of Tokyo, Ltd., Portland Branch ("the Bank") will prepay the ourstanding principal amount of the Certificates identified below in full on October 7, 1985, the next interest Payment Date, together with the interest accrued to that date. Payment will be made against presentation and surrender of said Certificates at The Bank of Tokyo Trust Company at 100 Broadway. New York, NY 10005, The Certificates being called are as follows:

The Bank of Tokyo, Ltd., Portland Branch, 411 SW 6th, Portland, Oregon, 97204

Number of

CREDIT FONCIER de FRANCE

.U,S. \$60,000,000

Guaranteed Floating Rate

Notes due 1990

For the six months

September 19, 1985 to March 19, 1986

the Notes will carry an interest rate of 813/16% per annum with a coupon amount of U.S. \$221,54. The relevant interest

payment date will be March 19, 1986 Listed on the Singapore Stock Exchange.

By: Bankers Trust Company Singapore Branch Relerence Agent

By Our Financial Staff

FIRESTONE Tire and Rubber, the

The company plans to eliminate excess tyre manufacturing capacity by closing its plant in Albany, Georgia, and ending production of car and truck tyres in Des Moines, Io-

AN ALBERTA court has ordered a solve liquidity and other problems AP-DJ reports from Ottawa.

mainly by pension funds. Canadian Commercial Bank has a minority interest in the corporation and has acted as its adviser.

I FI.B. PUBLIC OF PARTA GLE

In accordance with the terms and conditions
of the Notes, notice is hereby given that for
the three mouth interest period from 18th.
September 1985, the Notes will sery a rate
of interest of 11¹¹/₁¹/₂¹ per ansum. The relevant interest payment date will be 18th
December 1965. The coupon assume per
£5000 will be £145.69 payable against
autmenter of comma Note.

BATTON SECURITIES CO. LTD. By: The Bank of Tokyo Trust Company as Principal Paying Agent Dated: September 20, 1985

U.S. \$20,000,000 Floating Rate Subordinated

Bearer Participation Certificates 1990 issued by The Law Debenture Intermediary Corporation Limited evidencing entitlement to payment of principal and interest

Den norske Creditbank (Luxembourg) S.A. repayment of which is guaranteed on a subordinated basis by Den norske Creditbank

In accordance with the provisions of the Certificates, notice is hereby given that for the three month Interest Period from 19th September, 1985 to 19th December, 1985 the Certificates will carry an Interest Rate of 814% per annum. The interest amount payable on the relevant Interest Payment Date which will be 19th December, 1985 is U.S. \$21.64 for each Certificate of U.S. \$1,000.

Credit Suisse First Boston Limited Agent Bank

Kingdom of Spain

Floating Rate Notes Due 2005 olders of Notes of the above issue are hereby notified that for the first Interest Sub-period from 20th September, 1985 to 21 st October, 1985 the following will apply:

1. Interest Payment Date: Rate of Interest lor Sub-period: 3. Interest Amount payable

20th March, 1986 87% per annum

for Sub-period;

per USS 10.000 nominal US\$ 1.829.86 per US\$ 250,000 nominal

Accumulated interest Amount payable:

USS 73.19 per USS 10.000 nominal USS 1,829.86 per US\$ 250,000 nominal

5. Next Interest Sub-period will be from 21st October, 1985 to 21st November, 1985.

Bank of America International Limited

UNITED MIZRAHI BANK LIMITED

Kuwait International Investment Co. s.a.k.

Dai-Ichi Kangyo International Limited

Banca della Svizzera Italiana

Banque Paribas Capital Markets

Lombard Odier International S.A.

With effect from Monday 23rd September 1985, United Mizrahi Bank Limited will move offices to:

> Finsbury House, 23 Finsbury Circus, London EC2M 7UB.

Telephone: 01-628 7040. Telex: 896654/5 UMB G. Fax: 01-588 3361.

THE LONDON BRANCH, A LICENSED DEPOSIT TAKING INSTITUTION

NOTICE OF PREPAYMENT

The Kyowa Bank, Ltd. (Incorporated with limited liability in Japan)

Merrill Lynch Capital Markets

US\$30,000,000

Floating Rate Certificates of Deposit

No. 000001-000030 Issued 31st October 1983

Maturity 31st October 1986 Callable 31st October 1985

Notice is hereby given in accordance with the conditions of the above certificates of deposit (the "certificates") as printed on the reverse of the certificates that the Kyowa Bank Ltd (The Bank) will prepay at the outstanding certificates on 31st October 1985 (The "Prepayment Date") at their principal amount.

Payment of the principal amount, together with accrued interest to the prepayment data will be made on the prepayment date against presentation and surrender of the certificates at the London Branch of the Kyowa Bank, Princes House, 93-95 Gresham Street, London

Interest will cease to accrue on the certificates on the prepayment

By: Swiss Bank Corporation Intern

FINANCIAL TIMES is proposing to publish a Survey on the

UK BUILDING INDUSTRY

on Thursday, November 7 1985

Advertising copy date for this Survey is Thursday, October 24 1985

For further information please contact: William Clutterbuck Advertisement Department Financial Times, Bracken House 10 Cannon Street, London ECAP 4BY

Tel: 01-248 8000 Ext. 4148



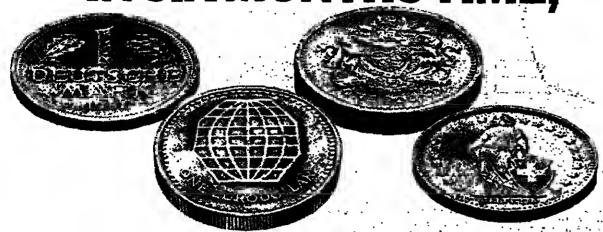
MALAYSIA US\$600,000,000

Floating Rate Notes due 2015

For the six month period 15th April 1985 to 15th October 1985 the amount payable per US\$10,000 Note will be US\$429.63. The relevant interest payment date will be 15th October 1985

By: Bankers Trust Company, London

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67 Wall Street, New York 10005 212/363-7000

INTL. COMPANIES & FINANCE

Bernard Simon on the repercussions of two Canadian bank failures

CCB fiasco creates major tremors

THE FALL-OUT has begun from Canada's first bank failure in 62 years. There is no certainty at this stage as to when sr where it will end, but it is already clear that the collapse of Canadian Commercial Bank of Edmonton three weeks ago will have wide implications for

the regulation of Canadian financial institutions.
The CCB affair has also become a political embarrassment for the Government of Mr. Brian Mulroney, the Prime Minister. At a time when the Minister. At a time when the one year ald Conservative administration needed to reverse an image of vaccilation and indecisiveness among the business community, Mr Michael Wilson, the Minister of Finance and his Minister of State in charge of financial institutions, Mrs Barbara MacDougall, have been forced on to the defensive in day after day of parliamentary debate.

The question most frequently

of parliamentary densite.

The question most frequently asked since the authorities put CCB and the Calgary-based Northland Bank under the care

Northland Bank under the care of cursters so u September 1 is whether Ottawa did the right thing last March in horriedly organising a C\$225m (U.S.164m) ball-out package for CCB, Already burdened by a heavy exposure to the depressed mostary Canadian property sed western Canadian property market, CCB, with assets of C\$2.7bn, was brought to the brink by the default of hard-pressed borrowers in the U.S. drilling rig industry.

Considerable reluctance

Several of the six major Canadian banks that particl-pated in the rescue did so with considerable reinctance. They were apparently swayed by the Government's argument that the stability of Canada's financial system might be threatened by a bank failure hard on the heels of the troubles experienced by savings institutions in Ohio and nervousness in the international currency markets. The Government was also under some political pressure not to allow an important institution in western Canada to go to the

Yet the eventual collapse of CCB, with the demise of Northland possibly still to come, has caused barely a ripple of financial markets. One can only guess whether things would have been different last March.

Unfortunately for the Govern-ment, the six-menth interlude has been costly. The Bank of be controlled by a Canada is confident that the regulated holding

C\$1.3bn in short-term loans which it advanced to CCB to cover withdrawals by nervous secured. But the six private sector banks stand to lose their C\$60m contribution to the bail

the public that meney with CB was safe after the bail-out. accounts above \$60,000, which are not normally covered by the Canada Deposit Insurance Cor-

Northland Bank if its directors fail to find a rescuer soon. Providing cover for unansured depositors in the two institutions could cost the exchequer as much as C3900m.

This is not the first time that Ottawa has waived the rules of its deposit insurance scheme. Several trust company failures in the past two years have

in the past two years have turned the deposit insurance fund from a substantial surplus to a deficit of C\$377m last December. Even without taking into account payments to CCB and Northland customers, the deficit was expected to climb to C\$15m by the and of this

The large amounts involved in the CCB and Northland cases will give new urgency to amend the deposit insurance scheme. Its borrowing ceiling will be raised. Other proposals currently being considered are an increase in insurance premiums paid by financial institutions, and a system of "co-insurance which all but the smallest depositors woud have to bear a portion of their losses them-

selves.
The CCB affair has also raised a large question mark over the future of government proposals to allow the growing number of financial con-glomerates in Canada to own banks of their own. These recommendations, included in a discussion paper on the regula-tion of financial institutions stablished last April, are a departure from the traditional Canadian practice. The Bank Act limits any one shareholder ts 10 per cent of a bank's equity, though it does allow foreign banks to set up fully owned affiliates in Canada, the

so-called Schedule B banks. The "Green Paper" urged the creation of a new class of bank, to be known as a schedule C bank, which would



Barbara MacDougall-forced on to the defensive

with interests in other types of financial institutions, such as of financial institutions, such as trust companies or insurers. This would provide a major opportunity for the con-glomerates, such as Brascan. financial services industry.

Criticism of the proposal has centred on the proposal has centred on the potential for conflicts of interest among insti-tutions with a common tutions with a common dominant shareholder, and the difficulty of adequate policing. CCB is a widely-held institu-tion; but its problems have high-lighted the difficulty of keeping tabs on the existing 14 domestically-owned banks.

It has recently become clear that, even at the time of the CCB bail-out, Government CCB bail-out, Government officials and other bankers were not fully sware of the extent of the bank's problems.

CCB wrote down the value of many of its problem loans by 45 per cent as part of the rescue but the market value of these assets has since been determined to be only about a third maths.

of their book value. Government officials disclosed after CCB's collepse that one-third of its loans were non-performing, although the figure had been set at around 10 per cent earlier

this year.

One Government official inform observes that "It's getting through to people that the supervisory system is already stretched to the limit. Shouldn't have it before morning the stretched to the limit. Shouldn't have it before morning the stretched to the limit. we sort that out before moving

ducing legislation based on the Green Paper by the end of this year have evaporated. Doubts about the paper's key recommendations, which have been fuelled by the two Alberts banks' troubles, are likely to throw open again the debats on the best way of proporting CSMthe best way of promoting csm-petition among players in the financial markets while main-

ikely to focus in coming months on the resources available to the Inspector-General of Banks, the Finance Ministry official responsible for supervising the banking industry.

Although his staff has grown from half s dozen to 38 people in the past eight years, there apparently still not enough the past to monitor. anspectors to monitor adequately the bank's detailed lending practices. lending practices. The Inspector-General is currently recruiting a team of recently-retired senior bankers to help keep a closer eye an the banks. As in Britain, the role of banks' external auditors is

under scrutiny. Government regulators in Canada routinely conduct inspection on banks' premises, but they have relied on outside auditors for detailed information on the adequacy of sset write-downs, loan loss provisions, and so on.

visions, and so on.

Under the Canadian Bank
Act, banks appoint two firms of
suditors, one of which is
rotated every two years.
Auditors have a duty to report
to the authorities on the status
of individual loans, but they
appear to have given little
attention to their impact on a
bank's overall viability.

Insensitive Behemoths

The CCB affair has further battered a widespread popular view of the major Canadian banks, which have long been viewed by large sections of the the public as insensitive Behe-

The banks have issued de-tailed statements defending themselves against allegations that they contributed to CCB's dawnfall by withdrawing depo-sits after the bail-out, some-times on the basis of privileged information from the govern-

relatively small, and the banks have insisted that CCB's, main problem was the quality of its assets rather than a drain of

MITSUI FINANCE ASIA LIMITED (Incorporated in the Cayman Islands)

US\$100,000,000 121/4 % Guaranteed Notes Due 1992

NOTICE IS HEREBY GIVEN that pursuant to Condition 7(B) of the 12 % % Notes, US\$8,000,000 principal amount of the Notes has been drawn, for redemption on 21st October, 1985, at the redemption price of 101% of the principal amount, together with accrued interest to but excluding 21st October, 1985.

The serial numbers of the 12 1/2 % Notes drawn for redemption.

ane e	s follow	ys:			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				
18	68 175	73 212	90 218	142	143 271	150 276	158 295	166	166
334		353	373	403	429	433	463	466	509
919	918	539 669	839 679	563 673	582 677	553 691	693	587 711	716
724	626 729	744	749	763	764	793	799	815	829
877	861	865	749 879	889	920	939	944	952	986
991	996 1106	1915	1017 1136	1025	1959	1064	1068	1083	1086
991 1090 1207	1240	1261	1256	1272	1282	1287	1298	1815	1322
1331	1332	1342	1350 1428	1368	1362	1391	1287	1398	1413
1523	1540 1639	1427 1544	1977	1584	1599	1593 1689	1600	1607	1918
1626	1639	1644 1761	1953 1785	1680	1661 1802	1689 1823	1994	1702 1878	1719 1812
1817	1724 1938	1947	1991	1778 1956 2926	1965	1870	1983	1885	1991
2006 2079	2019	1947 2919	2024	2926	2029	2032 2139	2054	2056 2175	2069 2178
2219	2082 2246	2092 2248	2100 2251	2114	2138	2138	2141	2397	2336
2337	2354	2366	2372	2373	2410	2418	2419	2444	2451
2453 2576	2491 2578	2497 2581	2520	2542 2629	2592 2639	2953 2648	2957 2653	2569 2697	2574 2658
2567	2697	2743	2749	2767	2770	2776	2788	2794	2803
2804	2847 2994	2889	2897 2003	2899 3008	2918 3021	2957 2029	2962 9043	2969 3048	2975 3053
3059	3062	3059	9070	3972	9977	9080	3063	3085	9114
2117	9119	3121	9129	2148	2155	3159 3271	3187 2284	9189	3193
3199	3225	3232 3365	3244 9393	3416	3257 3423	3424	3426	3311 3431 3479	2425
3447	3449	3453 3535	3467	341e 3468	3423 3471	3424 3474	3426 3475	3479	3489 3664 3819
3505	3531 3679	3 53 5	3971 3700	3572 2732	3738	3629	3635	3662 9789	3664
3821	3834	3838	3845	3849	3868	3871 3943	3873	3875	3888
3992 3977	3899	3902 3 99 9	3913	3918 4024	3933 4039	3943 4046	3948	3967 4071	9974 4096
4099	4197	4126	4141	4166	4171	4172	4173	4181	4187
4211	4215	4231	4245	4252	4268	4273	4277	4288	4322
4356 4438	4440	4362 4442	4379	4381 4447	4385 4448	4404	4411 4462	4417 4473	4436 4489
4493	4494	4504 4687	4511	4513	4527	4540	4558	4559	4560
4571 4656	4978	4687	4609 4673	4601 4688	4602 4729	4608	4614	4819 4766	4639 4788
4767 4928	4802	4668 4825	4858	4971	4872	4879	4883	4899	4904
4928 8121	4964	4971 5192	4992 9198	4998 5225	5009 5226	9955 5268	5078 5270	5093 6277	5096 5278
5296	5297	5326	5338	5348	5350	5373	5378	5381	5403
5412	5417	5440	5465	5469	5479 5609	5474	5496	9548	9566
6673 5858	5876 5686	9878 9704	6586 9712	5607 9721	9722	5628 5732	5639 5740	3647 8743	5697 9744
5745	5747	9754	5801	5803	5814 5934	5819 5948 6061	5822	5827	5839
5899 5870	5901 5978	5924 5986	5927 5988	5931 6046	6048	6061	5954 8083	5959 6085	5958 8090
6098	5136	9140	5192	9170	8177	9180	8199	6219	6229
6231	6245	5248 5452	8257 6 471	9298 6478	5304 6480	6354 6483	6373 6485	6379	6414 6497
6918	9524	8529	8997	6609	6607	6611	6639	6647	6682
6686 6768	6719 6784	6718	8723 6816	6732 6829	9739 5835	8737 6836	8754 6856	9759 8859	9787 6864
6903	6907	6807 6915 7015	9919 7047	6929	6934	6938 7082	6943	6971	9972
6991	6996 7174	7015 71 64	7047 7158	7048 7197	7559 7214	7082 7228	7114 7259	7136 7265	7152 7309
7159	7323	7339	7332	7339	7341	7344	7348	7358	7382
7386	7418	7432	7449	7447 7587	7497	7466	7476	7478	7491
7493 7683	7616 7692	7534 7700	7558 7701	7587 7706 7834	7815 7757	7657 7710	7671 7714 7845	7679 7728	7680 7788
7806	7827	7830 7870	7701 7832	7834	7757 7537 7919	7710 7839 7929	7845 7931	7843 7933	7844 7934 8074
7855 7940	7968 7953	7989	7889 7990	7611 8020	7919 8022	7929 8039	8091	7933 8511	2074 2074
8084	809 1	8134	8148	8157	8170	8182	8212	8244	8254
8259 8414	8351 8421	8309	8318 8448	8336 8455 8592	8353 8457 8599	8384 8488	8405 8494	8415 8508	8412 8545
8562	8565 8632	8447 8575	8586 8639	8592	8599 8652	8603 8659	8615 8681	8613 8684	8617 5889
8626 5899	8702	8638 8734	8737	8741	8749	8754	8764	8774	8799
8810 8918	8815 8935	8841 8937	8846 8938	8848 8949	8866	8891 8978	8900 8994	8914 9000	8918 9099
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9739	8742	9752	8769	9783	8796	9818	8830	9836	9846
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10133	10138	10145	10175	19180	10191	10202	10205	10218	10224
15241	10246	10268	10270	10274	10276	10295	10329	10331:	40351
10356	10380	10397	10403	10408	10412	10434	10440	10402	10474
10490	10517	10520	10528	19538	10553	10554	10596	10800	10611
10654	10078	10694	19722	19723	19743	19752	10787	19776 10678 11631	19778
10921	10923	10937	10911	10912 10957	10978	10829 10977 11979	10980	11031	11037
11049	11991	11055	10948 11987	11067	11978	11979	11090	11113	11117
11124	11146	11179	11176	11183	11185	11222	11245	11111-	11292
11297	11299	11300	11391	11302	11910	11344	11358	11374	11378
11381	11392	11396	11412	11442	11443	11447	11452	11454	
11464	11483		11500	11506	11522		11565	11570	11572
11873	11675		11004	11709	11729	11742	11743	11756	
11786		4			44000		44000		
11965	11966	11984	11987	11989	12012	12022	12026	12034	12039
12045	12054	12065	12080	12100	12104	12022 12105 12288 12441 12557 12876	12114	12123	12130
12141	12142	12179	12202	12214	12274	12288	12312	12314 12468	12317
12476	12510	12573	12633	12537	12054	12557	12570	12696	12611
12638	12639	12656	12658	12662	12670	12676	12677	12699	12691
12692	12702	12792	12759	12769	12792				12800
12807	12811	12823	12824	12834	12844	12864	12870	12874	12688
12905	12913	12918	12824 12944 13079	12961	13018	13029	19039	13041	13046
13141	13143	12199	13197	19168	19118	13119	13226	13124	13138
13280	13284	13298	13305	13307	13313	13316	13329	13339	13340
13348	13357	13373	13377	13393	13411	13418	13437	13450	13479
13484	13494	13498	13502	13505	13559	19572	12599	13619	13619
13618 19701	19524	13625	10775	13660	13666	19678 13751 13875	13694 13794	13696	13700
13838	13839	19848	13861	13869	13872	13875	13895	13901	13908
13939	13932	13498 13625 19713 19848 13948 14087 14198	12965	13988	13991	14029	13895 14032	19799 13901 14044 14172 14232	14045
14065	14068	14087	14088	14090	14126	14134	14192	14172	14182
14190	14182	14198	14200	14221	14229	14226	14230	14232	14297
14449	14261	14474	14501	14917	14550		14368	14587	14521
14634	14635	14280- 14474 14639 14717	14640	14643	14658	14866 14862	14687	14689	14802
14696	14714	14717	14729	14742 14898	14766	14 700	14 705	14809	14811
14813	14853	14854	14009	14638	14305	14780	14937 15057 15204	14948	14948
14971 15087	14978	14961	4 24 20	16021	10100	15036	15057	15065	10074
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15404	18417	15256 15453	15281 15461 15640 15773 15929	15483	15484	19519 15699 15818 15960	15539	15590	15692
15599	15691	15634	15640	15693	15699	15699	19791	15792	15710
18764	19769	15770	15773	15948	19789	15818	18849	15849 15979	15850
15981	15988	15996	16037	19068	16071	19176	19119	16148	19189
15191	19202	15249	15251	18265	16313	16314	10949	12702	
16440	16448	16451	16457 16662 16812	16482	16474	19521	1 <i>6</i> 537 18754 18835	18956	19559
19587	16802	16648	16862	16677	16682	15707	18754	18764	19765 16850
16652	18582	19869	16878	18918	15920	15924	16935	16836 15937	18969
16964	16990	16996	17040	17041	17048	17105	17197	17123	17132
17.143	17:180	17195	17188	17188	17226	17229	17235	17238.	17241
17244	1725B	17279	17273 17379 17466	17289 17379 17480	17389	17292	17293 17418' 17505 17611 17780	17315	17323
17431	17452	17461	17466	17480	17491	17485	17505	17510	17524
17526	17529	17548 17669	17561	17576	17978	17891	17611	17632	17540
17648	17659	17669	17675	17715	17749	17762	17780	17814	17819
17823	17825	17834	17849	17960	17856	17859	17876 18087 18290 18379	17918	17934
18140	18145	17981 18184	18181	18197	18236	18236	18290	18305	18200
18317	18338	18356	18386	10000	40004	18377	18379	18395	18396
18401	18403	18407	18412	18439	18457	18463	18475	18477	18479
18489	18492	18505	18524	10554	18238	18545	18851	18569	18577 18741
18743	18492 18612 18782	18505 18639 18789	18664 18779	18534 18684 18787	18677 18788	18886 18796 18943	18722	18731 18833 18981	18869
18873	18882	18889	18898	18925 19053	18934	18943	18977	18981	18990
19022	19030	19043	18051	19053	ASCOL	19065	19687	19091	19102
19106	18116	19192	19175	18177 19298	19307	18190	79212	18220	18261
19368	19286	19298 19379	19297 19391	19436	19187 19303 19439	19442	19321	19447 '	19491
19616	19822	19553	19556	19563	19568	19580	19598	19612	19613
19618	19669	19679	19693	19703	19709	19719	19752	19769	19276
.6793	19512	12000	1000/	19000	19901	3102	1 2244	10044	19852

On 21st October, 1995, the said redemption price will become due and payable upon each Note to be redeemed, together with sccrued interest from 20th February, 1985 to but excluding 21st October, 1985 amounting to US\$410.03 per US\$5,000 Note. On and after that date, interest an the said drawn Notes will cease to

Payment of the Notes to be redeemed will be made on or after 21st October, 1985 upon presentation and surrender of the said Notes, with all coupons appertaining thereto, at the office of the Paying Agents mentioned thereon. After 21st October, 1985 US\$72,550,000 principal amount of Notes will remain outstanding.

Mistui Finance Trust International Limited was the first the hand with the

NEW ISSUE

17th September, 1985



NATIONAL BANK OF HUNGARY

(Magyar Nemzeti Bank)

(Incorporated in Hungary as a joint stock company with limited liability)

U.S. \$200,000,000 Floating Rate Notes due 2000

Issue Price 100 per cent.

Nomura International Limited

Kansallis-Osake-Pankki LTCB International Limited Tokai International Limited

Morgan Guaranty Ltd Yasuda Trust Europe Limited Australia-Japan International Finance Limited

Bankers Trust International Limited Crédit Commercial de France Den norske Creditbank Kuwait International Investment Co. s.a.k. J. Henry Schroder Wagg & Co. Limited Sumitomo Trust International Limited

Genossenshaftliche Zentralbank A. G. Vienna Takugin International Bank (Europe) S.A.

Banca Commerciale Italiana County Bank Limited **Daiwa Europe Limited** Mitsui Finance International Limited Sumitomo Finance International The Taiyo Kobe Bank (Luxembourg) S.A.

IBJ International Limited

Lloyds Merchant Bank Limited

Setting a faster pace in computer graphics

claims to offer outstanding speed and power

THE ART of designing with screen, keyboard and computer has taken another step forward with the emergence in Europe of a workstation which is claimed to be 100 times faster than any competing unit on the

lt comes from a Californian company called Silicon Graphics, which recently opened offices in Newbury, Berkshire. The company, which meved into profit e year ago, bas raised more than \$33m of venture capital since it was extended. capital since it was started by lerge scale integrated (VLSI) Dr James Clark, an ex-Stanford University professor. The pro-

Piutonium evaporator on the all-glass pulsed column rig in Dounreay's £6m fuel cycle development laboratory.

25 cm.

don demonstration produced a same thing on a system of view you would see from the mainframe-based graphics tercockpit of an aircraft landing minals and taking off while others came and went minals reasons creasingly

Dr Clark believes that, with the cockpit mock-up and instru-mentation, it will be possible to make a full coleur flight simulator acceptable to smaller regional airlines at a price of about \$100,900. The company bas already sold IRIS to Singer for a system called Microflight.

For designers, including engineers, architects and TV graphic artists, IRIS allows powerful originations end manipulations of all kinds of image with immediate interaction and high levels of design produc-

The secret lies in several very that few in industry will have seen so far on such a compact unit.

For less than \$50,000, the IRIS workstation can produce seen so far on such a compact unit.

For less than \$50,000, the IRIS workstation can produce seen so far on such a compact and the "geometry accelerator" equipment industry will have enabled the company to adopt: acquisition of leading offer a stand alone workstation edge. knowledge followed as which combines interactive, imsoon as possible time by mediate graphics facilities with

Geoffrey Charlish on a design aid which

animated images of the kind that might be seen on a full scale flight simulator costing more than \$1m. A recent Lonfraction of the cost of doing the

minals

Response time is seen as increasingly important in ongineering circles. A recent IBM study quoted by Dr Clark showed that a reduction from 1.5 to 0.5 sees in the time for modified pictures to appear on the screen results in a four-fold increase in the user's design increase in the user's design productivity.

By bringing e dezen of the geometry engine chips to bear, the system can process an astonishing 44m pixels (fundamental picture elements) every second, or about 70,000 of the TV raster lines that make np the picture.
It deals simultaneously with

colour changes, dimensional changes in 3D representations of abjects, and animation.
Dr Clark says the achievement is based on an epproach that others in the information

integration of all the circuits.

After time at Stanford and a leading U.S. graphics com-pany, Dr Clark and his team felt they knew exactly what to commit to chip form. They then made the chip production masks in-house, collaborating closely with one of the new "silicon foundries"—companies which

produce chips in relatively small volumes to design tools provided by the customer.

Dr Clark is not alone in believing that these "application specific integrated circuits" (ASICs) will assume greater, and greater significance in the electronics industry. To gain a competitive edge with their products, designers will increas-ingly ignore standard chips (except in hig volume consumer goods) and design their own instead to give precisely the performance they need, Hence Dr Clark thinks his kind of high-speed design pro-duct will be much in demand, if cally to get to the market place first.

Silicon Graphics' main in-terest is in supplying the work-station hardware and graphies software. Application software for almost all kinds of design

Improved Individual Shortened Project **Productivity** Schedule

activity will be made available under a "geometry partners programme," This covers mechanical engineering design, molecular modelling, in chemistry and biology, the graphics arts and animation graphics arts and animation, various kinds of simulation (in-cluding animated robot work-stations and factory layouts), and electronic circuit design.

More than 30 application software suppliers are on the company's list and the aim is to develop new applications on

supplying existing packages.
Silicon Graphics already has some volume users including Ford, Boeing, and General Motors. The company has 300 customers in the U.S. who have purchased three to five workstations on average. Only a dozen or so have so far been

per cent of the total within

sold in the UK, but the com-

pany aims to make European sales account for about 20 to 25



products in October 1983 and in 1984 achieved sales of \$13m. The expected sales for 1985 are

Silicon Graphics is operating in a boom market. According to Dataquest, the market researchers, spending on computer design worldwide topped \$3bn last year and are expected to develop new applications on The company's growth is im- \$30n last year and are expe a collaborative basis, as well as pressive. It shipped its first to exceed \$13.80n by 1988.



Dr James Clark, the founder of Silicon Graphics

Open Systems Interconne Open Systems Interconnection is a set of standards which means that any make ef computer equipment should be connectable to any other. Supported by the British Government and by most computer manufacturers, OSI has mounted that to implement proved slow to implement

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Standard

computer

links urged

BIG OPERATORS of "value

added network services "
(VANS), special services like

electronie mail offered ever the (elephone network, should

be required to implement Open Standards Interconnec-

tion, says the largest group-ing of computer users in the

proved slow to implement because not all the standards are fully defined yet and because most manufacturers have their proprietary connection standards.

The National Computer Users' Forum, representing 22 of the principal computer users associations in the UK, says all major VANS operators should conform to OSI witbin 12 months of British Standards 12 months of British Standards Institute Drafts for Develop-ment being available.

IBM offers converters

users to create large, high-availability computer net-works through the release of a number of converters which make it possible to ettach IBM and non-IBM ASCII devices to IBM computer systems.

ASCII, the American Standard Code for Information Interchange, which simply defines how alphanumeric characters are handled in the computer language of binary digits, is used in a wide range of conventional computing systems but not IBM host processors. So the new converters translate between the ASCII characters and IBM computer

Dounreay aims for a key reprocessing role

nuclear engineers believe may be the world's biggest glove box

On this all-glass rig they will study new ways of separating plutonium and uranium in 2 pulsed plate column. With its halp, they hope to write a design code for pulsed columns for the new reprocessing plant Proposed for the Douncesy Nuclear Power Development Establishment of the UK Atomic Energy Anthonity.

The idea is that the pulsed plata column will provide a oypass stage before plant. This rig alone has cost about £650,000. Its first task four full-scale demonstration plant. (Thorp) under construction at Sellafield, Cumbria.

The rig is a central feature of a £6m £uel cycle demonstratory for the construction at Sellafield combria.

APPLE-GREEN solutions rich the UKAEA is commissioning. in plutonium will begin to According to Owen Pugh, gurgle through glass columns assistant director responsible this autumn, insida what British for reprocessing at Dounfely, nothing like it exists anywher else in the six-nation European for isolating a dangerous fast reactor cinb.

It has the flexibility to handle the quite different designs of fast reactor fuel used in Britain and France and will be able to process the intensely radio-active fuels taken to high burn-ups in Europe's fast reactors.

Last spring the British Government sparked contro-versy by declaring its support for a British nuclear industry bid to play bost to the re-processing plant which the fast reactor club members—Britain,

is just starting up its 1,200 Mw
Superphenix I demonstrator, case for to European Demonoperated by the UKAEA, and hopes soon to start build stration Reprocessing Plant (EDRP) is the technical one. a plant ten times as big as the

ing Superphenix 2,

Britain's case for hosting the
reprocessing plant rests on two
main pillars. One is that the
club will not be a club if

David Fishlock on the UK Atomic Energy Authority's £6m fuel cycle development laboratory

France has all the main facilities—and reprocessing is unquestionably a key one. A more equitable solution might be for France to proceed with building the new European plant. This rig alone has cost about £650,000. Its first task four full-scale demonstration is to test the flewsheet for the thermal oxide reprocessing plant. (Thorp) under construction at Sellafield, Cumbria.

The rig is a central feature for its own plant. It still has its of a £6m £uel cycle development laboratory for fast reactor fuel.

The rig is a central feature for its own plant. It still has its for its own plant. It still has its for its own plant in the ring, and urgently and a reprocessing plant which least of the demonstrator reactors.

While France certainly has the lead in fast reactor engineering, Britain is the only club member with experience of reprocessing fast reactor fuel, undiluted, and returning plutonium to the fast reactor. This means experience of fuel contaminated with the higher isotopes of plutonium, which present different and difficult problems both in the chemistry of reprocessing and in handling the fuel. Lost year, a design study and

cost estimate was prepared jointly by the UKAEA and British Nuclear Fuels for a fast reactor reprocessing plant large enough to service the European demonstrator reactors. The fuel cycle costs work out "considerably lower than those previously used for generating cost assessment purposes and con-firm the low fuel, cycle cost potential of the fast reactor," the UKAEA says.

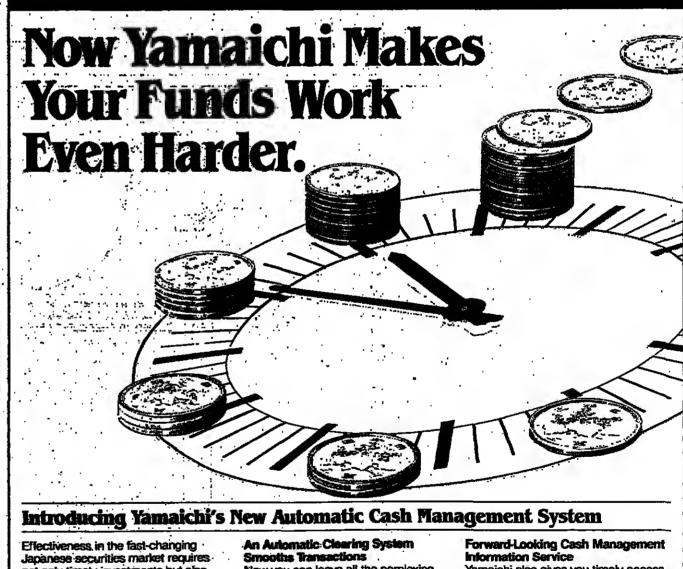
present one, to reprocess about 70-80 tonnes a year of plutonium While France certainly has the 70-80 tonnes a year of plutonium fuel. The cost is put in the region of £200m.

The main rival is France, which is just completing TOR (Traitement Oxydes Rapides), its equivalent of the present Dounreay reprocessing facility, et Marcoule, site of its 256Mw Phinty protectors.

Phénix prototype fast reactor.
But TOR, expected on-stream
next year has extra experimental facilities not available at Doumeay. France already has an outline design for the EDRP, which it calls MAR-600, also intended to serve four big fast The French bave made it

plain that they intend to com-pete strongly for a project which—since only one plant will be needed until well into the next century—could give the bost nation an important technological lead. cannot even start to negotiate with its European collaborators The idea is that the plan will with its European collaborators be built and owned by BNFL as until Dounreay has planning part of the European club's permission.





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BT facing £200m capital spending cut

Eritish Telecom's planned 22bn capital expenditure programme this year may be reduced by up to £200m because of late deliveries from the suppliers, according to Mr Dougias Perryman, the finance director.

The company's first quarter figures published yesterday show a small fall in spending on both telephone exchanges and transmission equipment even though BT is undertaking a major programme to modernise the network.

"Spending has not got off to the sort of start we would have liked. The cash is available, the will is there and its in the budget," said Mr Perryman.

The main problem is in exlate deliveries from the suppliers, according to Mr Douglas Perryman, the finance director.

The company's first quarter figures published yesterday show a small fall in spending on both telephone exchanges and transmission equipment even though BT is undertaking a major programme to modernise the network.

work.

"Spending has not got off to the sort of start we would have liked. The cash is available, the will is there and its in the budget," said Mr Perryman.

The main problem is in exchange equipment as the modernisation of the trunk transmission network has passed its peak. BT spent £170m on exchange equipment in the three month period down £4m on last year ond at least £20m less than year ond at least £20m less than expected. This is largely because of delays in System X, the new family of digital exchanges made by Plessey and GEC Telecommunications.

BT's pre-tax profits amounted to #443m for the 1-st quarter

Rain aids

growth for

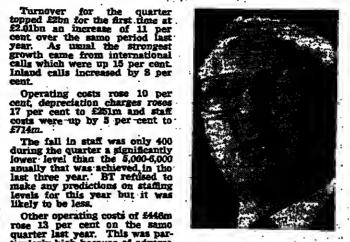
Owners

traded on the USM.

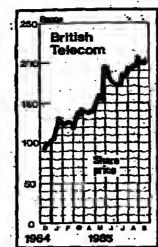
able."

Operating profits rose by £59m to £512m largely because of a strong growth in business particularly in the highly profitable international calls. Pre-tax profits were boosted by a £26m increase in interest receivable from shorterm investments a result of BT's current strong cash flow.

Investments rose from £118m at June 30 last year to £951m at the same date in 1985. There was a positive cash flow of £208m. The net debt to equity to overseas telecommunications ratio at June 30 was 37 per cent.



Bi's limited breakdown of its activities shows that turnover from rentals rose 7.2 per cent to 5558m. Turnover from rele-phone calls was up by 12 per cent



larly strong growth with turn-over rising 19.7 per cent to £91m. Sales and other operating income was £166m, up 11. per cent. See Lex

Laporte 23% ahead at £27m

growth."

Pre-tax profits are up 23 per cent to £27.3m in the six months to June 30, 1985, although sales were slightly lower at £176.2m (£181.3m). The corresponding period for 1984 did, however, include a significant contribution for the corresponding period for last did, however, include a significant contribution for the corresponding below the contribution that the corresponding the contribution for the corresponding to t SUNSEEKERS going overseast helped Owners Abread Greep, tour operator, to achieve substantially higher pre-tra profits, up from £15,000 to £325,000, in the six monts to June 30, 1985. In the period, the group carried a record 358,152 passengers, while easily beat the previous record of 244,606 set last year. from the group's pigment busi-ness, sold last September,

The interim dividend is raised

The interim dividend is raised
2.4p per share (adjusted) to
3.2p per share, on the capital
increased by the recent scrip
issue, from earnings of 12.5p per
share (9.1p).

Mr R. M. Ringwald, chairman,
says that the mood of confidence
in the group remains strong,
with most of the operations
performing well. In particular,
results from the two principal
manufacturing regions, the UK
and North America, are abead
of expectations and the worldwide Interex business continues
to thrive. The group has also
maintained its healthy cash position and a strong balance sheet.
In the UK, demand for
reasonably good but sales of
building chemicals have not
perfomed as well as expected,
nor have sales in the UK to
the electronics industry been
huoyant.

In the US, developments Al comparisons, say the direc-tors are based on a combination of in-group tour operating activities and the aviation divi-sion's seat wholesaling activities. Load factor achieved was 97.4 per The board says these results are particularly impressive, bearing in mind the depressed state of the travel industry during the first half of 1985. Due to the seasonal nature of the holiday industry, profits are mainly earned during the second half. The inclement weather in the UK in the summer months produced a boom for holidays The resulting increase in bookings, which has been accompanied with substantially less

panied with substantially less discounting than in recent years, should leod to a successful second hair, say the directors.

A combination of factors make Mr N. Scott, the chairman, confident for 1998. Among them, the successful integration of the various tour operators acquired by the group, the poor UK weather during this summer, and good advance indications of the electronics industry been buysant.

In the U.S., developments have been particularly strong with good first half contributions from new and established companies in pool and spanch chemicals, wood treatment and building chemicals. Recent acquisitions in Australia have strengthened the group's position there and established business ectors within Abel Lemon and Bleakley have been further developed.

Corporation, which specialises in the production of a range of a highly cyclical, capital intensive commodity business and replaced it with a bigh-quality, less cyclical and less capital intensive commodity business and replaced it with a bigh-quality, less cyclical and less capital intensive spread of businesses. The chairman points out that it is a long-term strengthened the group's position there and established business and of developing and Bleakley have been further developed.

Prospects for chemical distriweather during this summer, and good advance indications of demand to the aviation division. Group turnover in the opening half rose from £30.32m to £4.73m.

Prospects for chemical distri- some dividends. It also makes

Reporte Industries (Heldings) bution and earths manufacturing the group resilient to any sharp is confident that 1985 will be operations in the Far East, economic changes.

A breakdown of the figures growth."

Pre-tax profits are up 23 per though it will be some time hated £92m (£10.5m) of the the benefits in Western Europe the French

In Western Europe the French electronics business, Soprelec enjoyed a nartcularity good first half while the position in absorbents was strengthened through the acquisition of the remaining tharea of Mines de Gador in Spain. This company is the largest producer in Spain of foundry and civil engineering bentonites and the only Spanish producer of bleaching earths. Since the beginning of the year, Laporte has purchased Oil-Dri's European operations manufocturing and marketing earth products in West Germany.

products in West Germany, products in West Germany.

The Interest companies have shown a major improvement in the firest half of the year with the U.S. husiness achieving a greater advance in profitability than in 1984. Interest in Australia has also produced a fine set of half year results, while profits in South America and the U.K. are shead of last year.

Acquisitions in the U.S. include two pool chemical manufacturing companies and Mineral Research and Development Corporation, which specialises in the production of a range of

economic changes.

A breakdown of the figures shows that Laporte UK continiented £9.2m (£10.5m) of the £12.2m (£14.1m) in profit before interest of £3m (£700,000). The share of results of related companies was boosted by an increase from £8.2m to £11.2m in the contribution from Interex.

After tax of £18.1m (£9.7m); and After tax of £10.1m (£9.7m) and minorities of £200,000 (£100,000) the net profit was £17m (£12.4m).

comment with all the profit forecasts around the £27m mark there were few surprises in Laporte's results. The main feature is that last year's first half included at least year's front the state of the state that last year's first half included at least film from the titunium dioxide business sold later in the year: the gap left by the absence of this contribution has been emovered by a combination of interest received on the cash, trading profits, from the new acquisitions and a very strong emitted to the contribution from the new acquisitions and a very strong emitted to the contribution from the new transfer to the contribution contribution from Interest. The prospects remain a little tricky to assess: Laporte has achieved a 30 per cent compound growth over the last five years but the company which investors are looking at today is a very different one from that of 1980: On one view, Laporto has got rid on one view, Laporto has got rid of a highly cyclical, capital intensive commodity business and replaced it with a bigh-quality, less cyclical and less capital intensive spread of businesses with higher growth potential. However, there are still those who remain to be con-

Distillers profit still rising

MR JOHN CONNELL, chairman of Distillers, which faces a possible bostile bid from the Argyll Group, yesterday told the company's AGM that the results for the first ave months of its 1985-86 financial year have main-tained the strong trend of the

"On the basis of these results and in the knowledge of the benefits which emanate from the benofits which emanate from the various changes in group structure and operations, your board is optimistic about the outcome of the current year," he said.

Referring to press speculation about an Argyll bid he said that Distillers had had discussions

Distillers had had discussions on trading arrangements with the Argyll Group in recent months in the ordinary course of business." These talks appear to have involved the sale of Dantillers drink products in Argyll shops. "These discussions have not taken place on the basis of any bid for your company," he added.

On the strength of market speculation that Distillers are on the point of making a role-

on the point of making a role reversal bid for Argyll, the re-

reversal bid for Argyli, the re-tail group's share price hit a high of 345p yesterday but closed 9p up at 332p. Distillers share price also rose 10p to close at 395p. The pricus company is known to be looking at several companies with a view

to a bid.

Mr Connell also told the meeting that the continuing programme of reorganisation had led to the directors responsible sectors (whisky, whisky exports white spirits and food) reporting direct to the chairman. That means the Board's Management Committee, in effect an executive committee, will be disbanded as from October 1.

He added that "this is a natu-ral sequence to the management changes which I started intro-ducing after I took up office in

Mr Connell said Scotch whisky exports in the first five months were 17 per cent up on last year and "we are confident that the year as a whole will show a year as a whole. Will slow a bealthy increase in our export volumes over the previous year."

The benefits of the new UK marketing organisation were also said to be beginning to show in the volume recovery achieved for sales of Scotch in the home

Linden Corporation

The Financial Times stated on Wednesday that Linden Corporation was not believed to own any London hotels apart from the Pizza Hotel. A. J. Hotels International points out that apart from its 50 per cent interest in Linden, it operates five other London hotels.

SPONG HOLDINGS, bouseward distributor, industrial filter manufacturer and printer, remanufocturer and printer, recorded a pre-tax loss of £73,000 in the four months to April 30 1985 compared with a profit of £71,500 in the six months to June 30 1984. Group sales were down to £783,000 (£1.79m). Losses a share were 6.52p against earnings of 0.53p. There is no interim dividend (the 1984 total was 0.1p).

MARLER ESTATES offer for Eccentric Club (1982) has become wholly unconditional. The offer will remain open for acceptance until further notice.

BOARD MEETINGS

Agreed bid by Cookson for Frank Horsell '

COORSON GROUP, the fast expanding metals and industrial chemicals company.

expanding metals and industrial chemicals company, yesterday announced an agreed 245m thkoover the lore Frank Horsell Group, a printing industry supplies company, which only two months ago unveiled plans for a Stock Exchange listing.

Leeds based Horsell, which has been quoted shace 1979 on the over-the-edunter market mado by Granville and Co., manufactures and supplies plates, chemicals and equipment for the printing industry. Its most important product is range of presensitized huminum, plates for offset lithography printing, of which it is the only major independent UK manufacturer.

sensitived lithographic plates, in the UK through its Cookson Fry division and in the U.S. through its recently-Advance Offset Plato of Massachusetts.
Cookson said that its greater financial resources

greater financial resources and international trading network would help develop Horsell's business to meet the increasing: demand: for its products, and exploit overseas markets more effectively.

However, Cookson is paying

some 37 per cent more than Horsell's over the counter market capitalisation earlier this week, and well in excess of the price Horsell could have achieve through a listing of the august through. listing of its awn."
The offer is 44 Cookson

The offer is 44 Cookson ardinary for every 19 Horsell ordinary. On the basis of Cookson's closing price last night of 222p, down 3p, Horsell's ordinary shares are valued at 653p and the ordinary shares trapital at 238.7m. Cookson is offering 19 of its shares for every 16 Horsell preferred ordinary, valuing each at 535p and the total at £5.04m. There are cash alternatives

of 606p for the ardinary shares and 487p., for, the preferred. preferred.

The offer has stready received irrevocable acceptances covering 66-1 per cent of Hornell's voting capital. Much of that came from family trusts of the Hornell family, which has run the company for the mast century.

Cooleon strumerty known

atamatic growther in gereat rears (with pre-tax profits £55.8m .last year: -Horsel's pre-tax profits have grown at rate of 26 per cent over the past five years and totalied \$2.7m in the year to March See Lex

Rowntree lower at £20.5m but UK profits rise 13%

ALTHOUGH UK profits showed a 13 per cent increase, overall pre-tax profits of Enwairee Mackintosh dropped from a restated £22.3m to £20.5m in the 24 weeks to June 15, 1985, reflecting intense competition worldwide.

Mr Kenneth Dixon, the chairman, says that first-half profits

Mr Kenneth Dixon, the chairman, says that first-half profits were below the board's earlier expectations. However, the board remains confident that the strategies being pursued will support the continuing growth of the group.

The shares rose 11p yesterday to close at \$73p.

The net interim dividend is being raised from 3.6p to 4p per 50p share—last year's total was 11p on record £74.5m pre-tax rofits.

UK profits in the half your

rofits."
UK profits in the half your rose by £1.9m to £16m on turnver of £206.2m (£203.9m). Tho
"K confectionery business increased margins and profits as cost benefits from the produc-tivity programmes and capital investments came through.

investments came through.

Sales volumes were down, but initiatives planned for the utumh will strengthon the commany's position in the market blace, Mr Dixon states.

Sun-Pat maintained its steady progress, with sales volumes and profits growing in the first half. Sooner Foods' new products belped the business to achieve mother good half year's trading. North American profits slipped from £11.2m to £10.5m, on highfrom £11.2m to £10.5m, on higher sales of £153.5m (£119.3m).
Tom's Foods' sales continued to grow, aithough the phasing of orice increases loft the first half profit lower. In Canada, Rown-ree Mackintosb Canada suffered rom difficult market conditions

company is expecting higher orofits from North America, before taking account of an added contribution from the Original Cookio Company.

Sales in Italy and Holland were very strong, but olsewhere in Europe, group companies felt the effect of intensified pressure



Mr Kenneth Dixon, the chairman

competitors from both competerers and distributors, and European losses doubled to £2.8m, from £97.4m (£91.4m) turnover.

Australasian profits improved to £0.6m (£0.5m) on sales down £0.5m at £24.1m, with the Australian business maintaining its progress towards higher levels of profitebility.

gille Hi

of profitability.

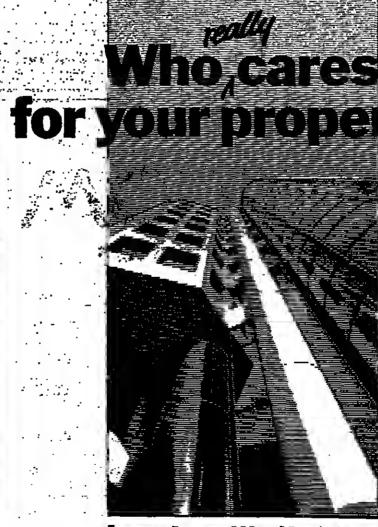
In the rest of the world, profits fell from £6m to ££8m on turbover of £38.2m (£40m). The result reflected a difficult environment for the group's UK exports, while the effect of the weakening rand masked a strong trading performance by the South African company.

The impact of currency move The impact of currency movement on the comparison of the two half years is not significant. Interest payments for the first 24 weeks were up £0.5m to £8.6m. After o reduced tax charts of £4.8m (£5.4m) attributable profits showed a decrease from £16.9m to £15.7m. Stated earnings per share were 9.4p, compared with 10.6p.

DIVIDENDS ANNOUNCED

		Date	Corre-	Total	Total
	Current		sponding	for	last
	payment	navment	div.	year	year
SPCC int		Jan fl	3		11
love Investment int	95	Nov 30		_	5 .
aporte Ind int	3.9	Nov 8	. 2.4	_	6.53
				_	4.5
Bodycoteiot		Jan 3	. 2	_	
Brown Boveriint		. Jan 2	1	_	2.5
CASS Group#int		. Oct 19	2.35	_	4.75
Garton Engineeringinf		Dec 2	. 1	_	. 3
nd Fin and Invest	2.5†	Nov 7	2.15	3.5	3
aidiam Grouptint		Nov 14	1.1 .	_	2.5
Im Marrisonint	B 35		0.284	— .	1.1.
ratimetert	1	Nov.14		1.	0.7
tomes Oil	0.25	Nov 29			0.7
rotimeter: lonice Oilzint 'erry Groupint	1.65		1.5		4.25
towntree Mackintosh int	4	Jan 3	. 36		11
talls Potteries	2 -		2		2
taus Pougres			2.25	, wat	6.25
celephone Rentalsint	-	Dec 2	4.2		12.2
trinity2nd int		Oct 25			
raia Catto int	2.5	Oct 18	2.25	4.50	6.0
Vestpool Inv. Trust	1.17	Nov 9	1.04	1.52	1.38
Villiam Bairdint	7.7	Jan 7	7		17.5
Dividends shown pence i	per sbare	net excer	t where	otherw	se stated
& Fontwelont after	allouring	- FAT CET	rin icemp	+0	a conito

*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡USM stock.



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BTR PLC, SILVERTOWN HOUSE, VINCENT SQUARE, LONDON SWIP 2PL, 01-834 3848.

PRETTY POLLY HUYCK, HIFLEX, CORNHILL, SILENTRLOC, CIMEX, GRAHAM, AUDCO, TILLING, SLAZENGER, SUMMERS,

THE CONTINUING improvement by Brown Boveri Kent (Bioldings) was limited in the first half of 1985 by the strength of the pound. Taxeble profits improved by 6 per cent but the company says the rise would have been 14 per cent if the rates had been constant at the level of the end of 1984.

On turnover up by 4 year cent

On turnover up by 4 per cent from £54.83m to £57.29m pre-tax profits were £3.51m against £3.31m. From earnings per share of 3.2p (3.3p) an unchanged interim dividend of 1p is being paid by this industrial process control and measurement group. Last year there was e total payment of 2.5p from pre-tax profits of 17.59m.

Mr E. Bielinski, chairman, says that the rising pound mainly affected the profits in Australia, Italy and South Africa. All three produced results in their own currencies similar to the first half of 1984.

He adds that orders continued to progress at a satisfactory level and the current order book is substantially higher than at the same time last year, with

Laidlaw up

profitability were reduced

However, July and August

The reorganisation at the com-

and leasing company performed

JOVE INVESTMENT Trust had

a net asset value of 51.1p (51.38p) per income share and 29.74p (20.67p) per capital share as at August 31, 1985. Gross revonue for the six months was 6656,798 (6546,721) and the

£656,798 (£646,721) and the interim dividend is higher et 2.5p

slightly at

£394,000

Market penetration in the U.S. continued to develop in the period and improved manufacturing efficiency largely offset the effects of the pound.

The operating surplus came out at £6.41m (£5.88m) and the pre-tax figure was struck after depreciation charges of £1.57m (£1.49m) and net interest paymants of £1.33m, up from £1.18m. With taxation little changed at £1.29m (£1.29m) and minorities taking an unchanged £114,000 net profit cama out at £2.11m, against last year's £1.9m. Ordinary dividend absorbed a same again £651,000, leaving the balance taken to reserves at £1.46m, a rise of £204,000 on the comparable balf year.

Mr Bielinski says that as further taxes are taken to be the same again £651.000.

Mr Bielinski says that as fur-thor steps are taken to improve productivity, coupled with the continuing programme of intro-ducing new products, ha is con-fident that the group will make

formance in the second half.

The group, based in Luton is
54.5 per cent owned by BBC
Brown Boveri of Switzerland.

Perhaps BBK bas deliberately taken a peasimistic line on foreign exchange rate to achieve its 6 per cent increase in sterling pretax profits. That would fit in with the market's earlier expectations of 15m for the half year but for the group's own admission that the advance in local currencies was only 14. in local currencies was only 14
per cent — which seems a particularly poor showing. In fact
given the perfomance of the
Australian dollar, South African
rand etc it is difficult to see how the difference is only 8 per cent.
Anyway the result lags well bebind that of Eurotherm — there
is a product overlap of around
40 per cent — and if the best
BBK can achieve is £95m pretax this year then it is easy to see why Eurotherm's p'e stands on a few points premium. At 900 BBK's prospective mul-tiple is 101, which looks high

Offer for sale values AMS Inds. at £28.5m

BY LUCY KELLAWAY

Laidiaw Group, USM-quoted Ford main dealer, reported a slight increase in pre-tax profits from £386,000 to £394,000 in the first half of 1985, on a turnover 1.1m iower at £39,49m reflecting a small drop in Ford'a share of the market.

Barclays Marchant Bank is offaring 7.5m shares at 95p, representing 25 per cent of the company, which is valued at the offer price at £28.5m. Eighty per cent of the shares being sold are of present owned by the company's foonders, 33-year-old Mr Mark Crabtree and 32-year-old Mr Stuart Nevison. First quarter sales and profits bad shown a substantial increase on the same period last year, but in the second quarter, the com-pany says Ford isunched o diffor-ent form of sales incentive which was much less sucessful—both Ford market share and dealer Mr Stuart Nevison.

Following the flotation, they will each own 37.5 per cent of the shares. The remaining 20 per cent will raise £797,000 in new money for the company after expenses of £617,000. Last July AMS had been poised

have seen a very large markot for company products and management. figures indicate profits ahead of budget. This makes the company hopeful for a satisfactory second half year's trading. Last July AMS had been poised to come to market, when the issue was pulled at the last minute as the equity market turned sour. While conditions are now judged to have improved sufficiently, the issua price is lower than that envisaged first time around. pany's large dealership at Strath-ciyde was comploted early in the year and much improved profits' are looked for in the next few months. All other dealerships and particularly the contract hire

tures digital sound processing equipment to the professional audio and broadcast industries and leasing company performen acceptably.

The interim dividend is unchanged et 1.1p net and the board intends to recommend a final at least the same as last year's 1.4p. Stated half-year earnings per 10p share dropped from The company also makes powerful haod held computers, which last year accounted for about 16 per cent of turnover. ings per 10p share dropped from 4.5p to 2.8p.
After tax of £154,000, against £1,000, the not balance was down by £145,000 at £240,000. The interim absorbs £94,000 (same) leaving a retained surplus of £146,000 (£291,000).

The company was founded in 1976 when the first audio sound processor was developed. Since then it has built up o range of sound processors, which sell for an average £5,000 each.

The equipment converts an andio signal into computer lan-guage in which form it is manipulated and enhanced before being transloted back into an audible sound. Thus the processors can make one voice sound liko several, change the speed, pitch or tono of a sound, and synchronise sound and vision for

THE FULL prospectus for an for 50 per cent of turnover, and offer for sale of shares in AMS in 1984 and 1985 AMS won a Industries is published today.

Barclays Marchapt Bank is Achievement.

Profits bave grown from less than £20,000 in 1980 and 1981 to £1.9m in the year to November 1984 on a turnover of £3.5m. In the current year profits are forecast to be not less than £3m on sales of £5m.

Based upon the forecast, tha shares are being offered on a prospective price-earnings ratio of 151 after a tax rate of 41 per cent. The yield is forecast at 18 per cent.

Tha applications list will open September 26, and dealings expected to start on October

comment

Putting o price on a company like AMS is no easy matter. Not only are there no quoted com-panies to compare it to, it is so young that the track record is of AMS designs and manufactures digital sound processing
equipment to the professional
audio and broadcast industries
The company also makes power
ful haod held computers, which
last year accounted for about 16
per cent of turnover.

young that the track record is of
limited use in determining
further growth potential. To
make matters worse, the wholo
digital audio industry is in its
infancy, and although all are
growing area, it is anyone's
guess whether AMS will be abio
to perpetuate the strong start it
has made in the market In its to perpetuate the strong start it has made in the market. In its favour is the high quality of its products which have earned it products which have earned it increase. What could really undo increase. What could really undo customers, and the emphasis it places on innovation. Because it supplies a highly specialised professional market it is protected to some extent from competition from the U.S. and Jopanese giants. For the time being its customers do not appear to be price sensitive, but to conclude that market is processed. that margins of 60 per cent can be sustained indefinitely would be dangerous. But if all goes according to plan, AMS's young founders may well live to regret Exports last year occounted selling their shares so cheaply.

1094

Cost control helps Wm Morrison to rise 52%

Wm Morrison Supermarkets has achieved a 52 per cent increase in pre-tax profits in tha half-year to August 3, 1985, making £7.19m, against £4.72m in the comparable 27 weeks.

The directors of this Bradford-based group are lifting the based group are lifting the interim dividend to 0.35p against an adjusted 0.28p. Total divi-dends in 1984-85 amounted to an adjusted 1.6, on profits of

Stated earnings per 10p share this time are ahead at 4.16p (2.65p), after tax of £3.34m (£2.27m).
Stringent control of labour Stringont control of labour

Stringont control of labour and overhead costs and a much reduced level of new store costs has led to a greatly improved operating margin—up from 3.12 per cent to 4.26 per cent, tha directors state.

The developments at Killingworth, near Newcastle, and at Rotherham are nearing completion and new superstores will opeo on October 22 and 29 respectively.

respectively.

The board is oware of the advantages afforded by new technology and consequently will open both with the latest electronic point-of-sale scanning continuous. equipment. In-store hakeries, similar to

In-store hakeries, similar to those operated successfully at Keighley and Darnall, and shortly to be introduced at Grantham, will also be e feature of these new stores.

Tha Killingworth store will also have a petrol filling station and at Rotherham there will be a garden centre, which is a new venture for the group.

venture for the group.

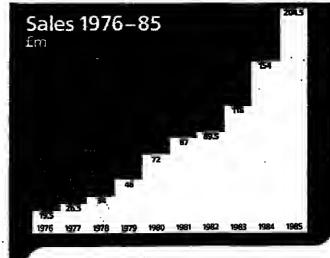
In addition construction work at superstores in Blackburn and Dukinfield will commence shortly and both will be open within 18 months. They say that details of a further four sites will be released shortly confirming the group's commitment to continued

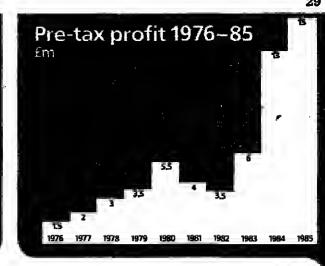
group's commitment to consumation.
On turnover np from £162.83m to ££173.43m, raw materials and consumables charges were higher at £143.63m £137.66m), but staff costs were little changed at £12.77m (£12.06m), while other operating charges reached £6.44m (£5.59m).
From an operating profit of

f6.44m (£5.59m).
From an operating profit of £7.39m (£5.08m) tha pre-tax result was struck after the addition of other income of £78,000 (£2,000), and lower interest payments of £271,000 (£355,000).

comment

Wm Morrison, in spite of a good first half, is looking just a little nervous about the rest of the year. The good results were underlined by a rise in the operating margin by more than a full point to 4.26 per cent of sales. In the second half almost two-thirds of the supermarket group's capital spending is due (fil2m of the year's planned total of £17im); there will be two outings, adding 80,000 sq ft to the existing 860,000 sq ft. These will add to costs and make it hard the smooth progress, however, is an Asda promotional campaign an Asia promotional campaign rumoured to be starting in about three weeks. In the past Morrison's shares have proved to be fairly volatile and their current rating may have them at full stretch. For on an expected \$15.20 provides for the year the £15.2m pre-tax for the year the shares at 164p up 8p are on a prospective multiple of 181 with a 46 per cent tax change. The downside risk oppears high especially if profit taking is fol-





CONTINUING GROWTH

Report on 1984-85

Sales in the year ended 1st June 1985 exceeded £200 million for the first time. Profit before tax increased by 15% to £15.0 million.

Dividend A total dividend of 5.635p per share is recommended, an increase of 15%.

Our prospects

Orders and sales for the first two months of the current year are ahead of last year. However, although the electronics industry has strong growth characteristics in the long term, it is subject to significant cyclical movement, and currently the supply of electronic components is in surplus. Compared with the rapid expansion in the last two years we would expect at best only moderate growth this year. To date the cycle has largely followed the pattern of previous cycles and the Group is now well placed to participate fully in the expansion phase when it returns.

If you would like a copy of the Annual Report please write to the Secretary, Unitech plc., Phoenix House, Station Hill, Reading RG1 1NP



A group of companies principally engaged in manufacturing and marketing electronic components and equipment.

Financial Times URBAN RENEWAL SURVEY

Tuesday October 8, 1985

r further detoils contact: ANDREW WOOD 01-248 511fi Telex 885033

LADBROKE INDEX 1,005-1,009 (+7)



Interim Results (unaudited)	26 weeks ended 3 August 1985 4 £000's		53 weeks ended 2 February 1985 £000's
Turnover	173,432	162,831	336,235
Operating profit	7,386	5,077	12,276
Profit before taxation	7,193	4,724	11,733
Profit after taxation	3,856	2,450	6,387
Earnings per share	4.16p	2.65p	6.90p
Dividend per share	0.35p	0.275p	1.10p
Hilmore House, T	hormon Road, Bradford, We	st Yorkshire BD	089AX.

British

FIRST QUARTER RESULTS **30 JUNE 1985**

1904
£1,812m
£453m
£319m
£204m
3.4 p

- Turnover up 11%
- Profit before taxation up 27%*
- Earnings per ordinary share up 17%*
- Outlook for year remains favourable "After adjusting for changes in capital structure in 1984



The unaudited figures above are extracts from the interim report, a copy of which may be obtained by the unsulated against a selection of the property of the prope investor restricts onto British Telecom share price, dial Shareline on one of the numbers given below. For day, information on the British Telecom share price, dial Shareline on one of the numbers given below. London 01-246 8022 Birmingham 021-246 8056 Edinburgh 031-447 0333 EURARIT UT-240 OUSE OF THIRINGTON DE T-240 OUSE CONDUIGN DET-447 USSS GLOSCOW 041-248 4400 Elverpool 051-488 0797 Manchester 061-246 9050 CATESTON DA 1-240 4400 ENTITADO DE 1-400 DE 18 MAINTINEME DO 1-240 BLOU Bellost (0232) 8030 Bristol (0272) 215444 Cardiff (0222) 8037 Leeds (0532) 8038

Chairman's statement

Haidoesiondin Cold Mining Company United

Future earnings mainly dependent on exchange rates; low-grade gold recovery plant planned - Mr Basil E. Hersov

A 15.6 per cent increase in the average gold price received during tha year, together with substantially higher non-mining income and uranium profits, more than offset marginally lower gold production and higher operating costs. As a result, pre-tax profit increased by 24 per cent to R335,5 million from R270,5 million. Taxation, however, increased by 47 per cent to R212,5 million from R44,6 million. After taken into account a lose less returned R64,4 million and experted expenditure. After taking into account a loan levy retund of R6.4 million and capital expenditure and loan repayments of R35,1 million (1984 – R48,4 million), earnings amounted to R94,3 million (1984 – R82,7 million) equivalent to 84,2 cents per share (1984 – 73,8 cents per share). Dividends totalled 80 cents per share (1984 – 72,5 cents per share)

Despite an increase in mill throughput of 23 000 tons to 3 093 000 tons, gold production decreased from 30 510 kilograms in 1984 to 30 128 kilograms. Unit on was held to 9,44 per cent due to the changes outlined below and a decreased development rate.

Considerable effort continues to be directed towards maintaining the higher production level achieved in 1984 and effecting economies in operating costs. In line with this policy it was decided to concentrate stoping operations as far as practicable and also to rationalise shaft utilisation. Accordingly, No. 6 shaft, together with part of the production area which it served, was put onto a care and maintenance basis and the production tempo at Nos. 5 and 6 shafts was increased. A higher development rate will be required to maintain the increased production levels necessary to replace the stope faces at No. 6 shaft and to support the higher level of exploratory development work, particularly in the area to the south-west of No. 8 shaft. One of the effects of concentration is to reduce grade flaxibility with resultant fluctuations in grade. This occurred in the past year and the recovery grade decreased from 9.9 grams a ton in 1984 to 9.76 grams a ton.

Capital expenditure during the year of R33.1 million (1984 – R44.9 million) was

recovery grade decreased from 9,9 grams a ton in 1984 to 9,76 grams a ton. Capital expenditure during the year of R33,1 million (1984 – R44,9 million) was incurred mainly on high-priority items such as the sinking and equipping of No. 8 north shaft, employee accommodation, ventilation, electrical plant and equipping of No. 8 north shaft in February 1982. This shaft should be commissioned early in 1986 at a total cost of some R92 million. During this financial year capital expenditure, currently estimated at about R30 million, will continue to be restricted to high-priority items. Expenditure during each of the following two financial years will be substantially higher following a decision in principle to proceed with the establishment of an additional gold recovery plant. When commissioned the plant will treat low-grade one from surface accumulations, waste-washing plants and sorting operations. It will also enable the exploration, mining and treatment of in situ low-grade ore sources to be pursued. The plant wit have a design capacity of approximately 120 000 tons per month and will cost approximately R135 million in July 1985 terms. Various methods of financing this expenditure are under consideration.

During the latter part of 1984 the mina entered into a Recognition Agreement with the National Union of Mineworkers in respect of category 5 to 8 surface workers and all monthly-paid Black staff (6,2 per cent of the total labour force). It is only in these categories that the union has significant representation. A brief illegal strike by certain Black employees occurred during September 1984, the workers alleging that management was deliberately delaying the recognition of the National Union of Mineworkers. Employees returned to work after two days. At the end of April 1985, following a three-month period of unsettled labour relations, an illegal strike occurred and 2 361 amployees were dismissed. Tha strike had been preceded by boycotts of canteens and liquor outlets and disruptions of normal working procedures which threatened the maintenance of discipline on the mina. The Company subsequently agreed with the National Union of Mineworkers to employ on a preferential basis those who had been dismissed as and when vacancies occurred and if applicants met the employment criteria for such vacancies.

There is an acute shortage of skilled manpower in the country and in the industry.

There is an acute shortage of skilled manpower in the country and in the industry. In terms of the Mines and Works Act, Blacks and Asians are ineligible to occupy certain skilled and aupervisory positions in the production, engineering and other technical service processes. It is against this background that the industry has been striving to change the definition of a "scheduled person" by the removal of racial discrimination from the definition, thereby permitting the advancement of Black and Asian employees into skilled occupations and management. The Company is committed to resolving this issue through negotiations at industry level.

Grade, and thus gold production, will continue to fluctuate as a result of the concentration of mining; however, the average grade for the current year should approximate that of last year. In the longer term, the average grade is expected to trend downwards with minor variations from year-to-year. Despite continuing efforts to effect economies, working costs will inevitably continue to rise following wage increases granted in the industry and as a result of the increasing rate of exploratory development and of general cost escalation. However, the value of the rand against the U.S. dollar remains the principal factor that will influence eventual earnings and hence dividends.

3 September 1985

The annual-general meeting of members will be held in Anglovaal House, 56 Main Street, Johannesburg at 11h00 on Tuesday, 15 October 1985.

CAIXA GERAL DE DEPÓSITOS

CREDIT OPERATIONS

its share in 1984 rose to 10%.

CREDIT GRANTED AS AT 31.12.84

Credit to Industry and Exports (b)
Credit to Central and Local Governs
Credo to Public Services Corporatio
Credit to Agriculture and Fisheries

Total

mprovement over 1983 (+ 128,000 contos).

Real estate credit

Other Operations

RESULTS

Assets operations of the CGD in 1984 rose to the noteworthy figure of 770 million costos, with an advance for the year of 191.2 million, or + 33%. "Loans" incressed by 115.9 million contos, as against 79.1 million

Incresse in its balasce, owing to intensified operations by the Caixa as a supplier of funds on the interbank markets, in particular the Interbank Securities Market, this being largely due to reduction of the obligatory minimum liquidity ratios. The balance of these applications, which is residual, in 1983 represented only 3.2% of the total assets operations, but in them is 1984 were 1984.

an increase of about 20 million over 1983. The modest rate of this growth (+ 11.2%) was due both to the economic and financial policy measures that were implemented as regards the degree of indebtedness of the administrative and entrepreneurial public sector, which resort mainly to

former industries" that shows the most marked slowing down in

Balance (a)

201,320

51,974 40,865 20,830

557,902

relation to 31.12.83

115,915 + 26,2%

53,427

+ 21.9%

+ 36.1% + 10.2% + 27.0%

+11.4G +87.5G

terms of expansion of new operations, while credit for purchase of selfowned housing with 32.7 million contos of new operations, oractically regained its 1982 level, after so accentuated reduction in 1983.

Profits for the year were 8.2 million contos, which was a slight

tiabilities operations, mainly consisting of interest paid to depos

which accounted for \$7.2% of the overall costs of the "Operation

Earnings rose to 158 million contor, which was 48.1% higher than the

The difference between the rates of growth for costs and earnings,

however, went down from 7% to 3.9%, this being largely due to the increased earnings from larger applications of resources on the interbank markets, mainly in the second balf of the year. On the costs side, the increase was 51.9%, of importance being the cost of

in 1983, thus representing a rate of growth of 26.2%.
"Applications in national credit institutions" registered a considerable

ntracted last year in the amount of 198.3 million contos, repr

the Caira, and also to the generalized fall-off in investment, thus lead to a considerable retraction in the demand for financial resources. By sectors, it was "Agriculture and fisheries" and "Mining and

ල යන්න වා වෙන වා වන වා වෙන වා වන වා වන

ACTIVITY OF THE CAIXA GERAL DE DEPÓSITOS to 1984, as in previous years, the effects of restrictive monetary measure continued to be felt, though there were some signs of abatement in the second half of the year.
The Advices of the Ministry of Finance and the Plan, of 20th 3une, laid

- Fixing of the maximum interest rate for term deposits of 181 days to Permission for banks to establish their own interest rates for sight deposits, notice deposits and other term deposits; Reducting of 1% in the interest rates for credit operations for periods
- of up to one year; Reduction of the obligatory average liquidity ratios to 12%, 8% and 6% for deposits of up to 180 days, 181 days to one year and terms of more than one year, respectively.

The non-consolidated liquid assets of the CGD at the end of 1984 totalled about 932 million contos,* thus showing an increase of 191.5 million contos, or + 25.9%

On the same date deposits amounted to 721.7 million contos, represents a growth of 183.2 million (+ 34%) in relation to 1983, a figure that must be regarded as considerable, even taking account of inflation.

Credit granted, in terms of outstanding balances, as at 31st December reached a total of 557.9 million contos, which was an advance of 115.9 nullion, or 26.2%, which was higher than the increase of 21.8% attain

During the course of the year, 25 new agencies were opened, bringing the number of the Caixa's own dependencies at the service of thrift all over the country, up to 325.

DEPOSITS

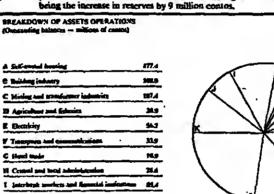
Last year the deposits portfolio stood at 721.7 million contos, representing e progress of 34% in relation to 1983 and the highest since 1976 (~ 35.8%). In absolute terms, this increase amounted to 183.2 million contos, of to assonite terms, this increase amounted to 183.2 million contos, of particular core being term and savings deposits, whose expansion corresponded to a rate of 37.4%, to the amount of 145.8 million contos. This figure accounted for 79.6% of the total growth of deposits and denoted so intensification of the weight of term deposits in the deposits portfolio of the CGD, with a consequent aggravation of the costs of

DEPOSITS AS AT 31.12.84	Thousands of costce and percentage			
	Balance	Growth is relation to 31.12.8		
Sight deposits	103,553	21,839- + 26.79		
Obligatory deposits	82,705	15.593 + 23.29		
Term deposits	535,491	145,816 + 37.49		
Total	721,749	183,248 .+ 34.09		

Among the term deposits, those for "up to one year" or greater progress, and in 1984 they increased by 52.8% (+ 69.7 million contos), a growth that was similar to that of the previous year and accounted for about half of the overall increase of these res This shows an increasing preference for the shorter term deposits, anticipated mobilization of which involves less loss than those of longer

The oumber of deposit accounts in the Caixa Geral de Depósitos at the end of the year was nearly 8 million, with an increase of 805 thousand,

previous year and shows that in spite of difficulties there was a nsiderable improvement in their rate of progress (+ 42.9% in 1983). The net worth, before deduction of the State's participation in the year's profits, stood at 64.1 million contos, or 20.6% higher theo in 1983, of note



		G He	erpays and communications 33.9 el tende 14.9 gad and local administration 24.6 rhoph surfaces and financial institution 44.6		>
179-80-81 EL-83:841 179-80-81-82-1 SUMMARY OF THE BALANCE SHEET AS AT 3			et replacion 622. Ind 778.0 LIABILITIES	Thous	ands of cos
ASSETS	1983	1964	Unduina	1983	1984
ELQUID ASSETS INSTITUTIONAL APPLICATIONS Credit Gramed Applications io National Banks Bonds, Shares and Quotas Applications of Consigned Resources Accounts Receivable Other Applications FIXEO ASSETS SUNORY ACCOUNTS	61,556 438,424 17,476 26,707 48,924 36,677 6,094 14,293 90,343	64,241 \$48,467 77,128 28,490 37,874 59,627 8,968 21,502 85,544	DEPOSITS CHEQUES AND PAYMENT ORDERS CONSIGNED RESOURCES OTHER RESOURCES ACCOUNTS PAYABLE SUNDRY ACCOUNTS PROVISIONS FOR SUNDRY RISKS RESERVES PROFITS FOR THE YEAR	538,501 3,189 48,579 30,278 8,332 57,946 17,268 27,856 8,943	721,749 6,764 37,902 30,647 7,122 63,522 19,030 36,896 8,169

931,861

<u>ශීතිත කත අත්තම කත්තම කත්ත</u>

740,394

TOM	ICE TO LOM	BARD DEPO	SITORS
	fieles for depositors entitled to receive gross inferest	Plates for depositors entitled to receive net interset	Groups aquivalent to a bacin rate tax payer
	14 Mini	Days Notice	9
	111/2%	8.59%	12-28
		Savings Ac	
	11%	8.22%	
	When the	e belance is £250 to \$	2.500

Total

6.72% | 9.61%

Lombard North Central

17 Bruton St, London W1A 3DH.

THE FINANCIAL TIMES ORDINARY SHARE INDEX SURVEY

740,394 931,561

This six page survey, which appeared on July 1 1985, was published on the 50th anniversary of the FT Indax. Free half size reprints of this survey are available on request. Fill in the coupon below, PLEASE USE BLOCK CAPITALS

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£35,000,000

Sterling Floating Rate Certificates of Deposit due June 1986

Notice is hereby given that the Rate of Interest has been fixed at 11%. P.a. and that the interest payable on the relevant Interest Payment Date, December 19, 1985 in respect of a £250,000 nominal Certificate of Deposit, will be £7,206.76

Agent Bank: County Bank Limited Managed by: Credit Suisse First Boston Limited

September 1985



£50,000,000

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County Bank Limited

UK COMPANY NEWS

Staffs. Potteries down 8% to £1m as margins fall

signorusmire Potteries (Holdings), a manufacturer of ceramic tableware, bousewares and giftware, based in Stoke-on-Trent, recorded pre-tex profits down 8 per cent in £1.02m in the year to June 30 against £1.11m last time.

time.
Mr Bill Bowers, chairman, blames the shortfall on capacity

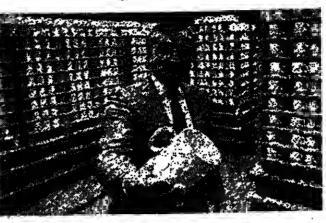
blames the shortfall on capacity restraints at the Meir Park division, now overcome by additional capital spending of £550,000, and higher interest rates.

In spite of the group reducing horrowings by £560,000, he says, interest charges rose by £49,000, reflecting an average annual interest rate 2.7 per cent higher than in the previous year.

Group sales, however, increased by 12.3 per cent to £23.18m (£28.65m), with rises in both home and export markets.

both home and export markets.

The final dividend is 2p a chare, making a total of 3p, against a single payment last



Bill Bowers, chairman of Staffordshire Potteries

against a single payment last year of 2p.

Mr Bowers says that the group has taken longer than boped to recover from the recession, but its order book is beginning to reflect its policy of enhancing the perceived value of ks products by innovation and good design.

"The success of this policy will require continued emphasis on well-established, longer term programmes to improve our products and reduce quality related of \$2.50 and fully-diluted and fully-diluted and fully-diluted are respective will continue to be respective will continue to be reduced borrowing he says.

The board's overriding of 1st the Royal Winton division, margins have been under pressure, says Mr Bowers, mainly because of the complexity of the complex

Perry Group maintains volume REFLECTING THE chalrman's optimism in the longer term, and the group's strong cash position, Perry Group has raised its interim dividend from 1.5p to 1.65p per share; last year's payment was followed by e final of 2.75p per share. Perry, a Ford main dealer experienced fercely competitives trading conditions in the first half of 1985 but succeeded in maintaining its sales volume in spite of a small reduction in Ford's share of the new car market. Sales in fact rose 2 per cent to £72.26m. Pre-lax profits show only a small advance, from £1.93m to £1.95m, but excluding e credit pletion. Commenting on the outlook the chairman, Mr Forbes MacGregor, says that August now accounts for more than a fifth of annual new car registrations and once again proved an excellent month for the group—both in terms of profits and sales volume. Steps taken at the end of last fluenced so much by the latence share in car sales between the spare parts complex is being doubled, at e cost of £500,000—says the group's strong cash position providing e strong base of the proper in the project is nearing commendations. The capacity of the group's strong cash position providing e strong base are down the chairman, Mr Forbes MacGregor, says that August now accounts for more than a fifth of annual new car registrations and once again proved an excellent month for the group—both in terms of profits and sales volume. Because profitability is influenced so much by the latence share in car sales between the spare parts complex is being for the second half of the year. Mr MacGregor says the commendations are down of the chairman, Mr Forbes MacGregor, says that August now accounts for more than a fifth of annual new car registrations and once again proved an excellent month for the group—both in terms of profits and sales volume. Because profitability is influenced so much by the latence share in car sales between the spare parts complex is being for the second half of the year. Mr MacGregor says the commendations in the first operations and on

of £250,000 in the corresponding period.

Perry's Estate Agencies is on period of the previous year, profits from trading ectivities new offices each month up to the increased by 16 per cent. Profits end of 1985 but a significant pairs, parts sales and self drive he expected from this division to profit should not is better placed than for some pairs, parts sales and self drive be expected from this division time to capitalise on further have all shown satisfactory until 1886.

Ramco dives

into the red

at six months

Mr Remp says the upturn in

Mr Remp says the upturn in this market is taking longer than expected to materialise as the major out companies are delaying implementation of their field developments. As a result, he says, the outlook for the second half and early part of 1986 for companies serving the onshore

construction yards is not particu-larly encouraging.

larly encouraging.

In view of the continuing weakness in the market, the group bas begun to streamline operations to reduce costs. Beyond this year, the company's policy of broadening the scope of its operations encourages the board to remain optimistic ebout longer-term prospects.

Stated loss per 10p share was 0.06p (2.47p earnings), but the interim dividend is held et 0.25p

interim dividend is held et 0.25p

The chairman says the .com-

Pre-tax profits show only a doubled, at e cost of £500,000— with the group's strong cash small advance, from £1.93m to the project is nearing composition providing e strong base £1.95m, but excluding e credit pletion.

Perry's Estate Agencies is on for continuing expansion of continuing expansion of existing ectivities.

All round progress lifts Bodycote profits to £1.4m

Ransco Oil Services dived for the pair of this USM company, says the main reason for the disappointing result was the shortage of contract opportunities in the North Sea platform construction yards.

HIGHER contributions from (£56,000).

HIGHER contributions from (£56,000).

HIGHER contributions from (£56,000).

The interim dividend is being raised by 25 per cent to 2.5p—entering raised by 25 per cent to

The results reflect "e good all round UK performance, enhanced by e substantial contribution from our overseas subsidiaries, pained by a 2-5p final divideod. which are back on stream," says Mr J. C. Dwek, the chairman.

Operating profit margins improved from 6.5 per cent to 8.3 per cent — operating profits were split as to UK £1.27m (£935,000) and overseas £314,000

over of £31.51m, and were accompained by a 2.5p final divideod.

Earnings per share amounted to 14.21p. Profits for the opening six months of 1985 were struck after interest payable of £233,000 (£177,000) and were subject to tax of £490,000 (£293,000).

Increased interest pegs growth at Garton Eng.

pany's coeting and access services divisions bave been bardest hit, although the offshore

platform maintenance activities bave continued to perform wetl. Ramco is continuing to develop its tubular services with four profitable plants now operating in the UK. An extraordinary charge of S40,000 in the balf-year figures represents the amount written off in the books of Thomson Welding no its recent acquisition by Ramco.

STRUCK AFTER a sharp rise in interest charges from £96,000 to £145,000, pre-tax profits of Garton Engineering showed e 2.7 per cent improvement at £265,000 for the first half of 1985, against £238,000 last time.

Mr A. B. Garton, libe chairman, says that as with 1984, the first six months was relatively buoyant and results reflect this situation, after taking into eccount the beavy burden of increased interest rates.

Interim turnover advanced from £6.17m to £6.8m and Mr Garton says indicetions are that the present level of demand for company products will be maintained into next year.

The interim divideod is maintained at 1p net—last year e 3p were 5.59p (5.02p).

Just Rubber in USM placing

By Richard Tomkins

Just Rubber, a leading ma Just Rubber, a leading manufacturer of rubber covered rollers, is coming to the Unlisted Securities Market through a placing by stock-brokers, Quilter Goodison, of 19m shares et 62h each 1.9m shares et 62p each.

The company employs 60 people at Cwmbran, Gwent, manufacturing rollers which are supplied to e wide range of industries including printor industries including planting, packaging, paper and plastics processing, confectionery and food, and textiles. It also repairs and re-covers rollers for its

It was formed in 1970 by Mr Kevin Burke and Mr Martin Tebbutt, joint managing directors, who were then employed as draughtsmen in the rubber industry. It started as a sub-contracting manufecas a sub-contracting maintenant turer of rubber mouldings but turned to specialist roller covering during the 1970s. Mr Stanley Constable inined as finance director in 1977.

Of the shares being placed, representing 25 per cent of the issued share capital, some 1.3m are being issued by the company and the balance by existing shareholders — the joint managing directors and

finance director.

The placing will raise about £650,000 net for the company, and it plans to use the proceeds to expand production expandity at Combian. tion capacity at Cwmbran.

Just Rubber's merket capitalisation at the placing price is £4.65m. It has net assets of £980,000 and turnover in the year to last January was

£1.6m. Pre-tax profits in the year to January were £503,000 against £301,000 the year before. The directors forecast a profit of £575,000 for the current year, putting the shares on a prospective p/e of 11.1 after a notional 35 per cent tax charge. Pre-tax profits in the year

IFICO up by 43% to £1m

Industrial Finance and Industrial Finance and Investment Corporation, a banking and finance company, raised pre-tax profits by 43 per cent from £731,794 to £1.05m in the year to June 30, 1985, its eighth successive ways of profits rised year of profits rises.

The final dividend is 2.5p. making a total of 3.5p against

Turnover was up sharply to £5.19m compared with £2.18m, including £2.91m £520,974) in net proceeds from the sale of investments and equipment and £2.28m £1.66m) i nfees, commissions,

£1.66m) i nfees, commissions, interest and other income.

Mr Christopher Norland, chief executive, says the acquisition last March of East of Scotland Onshore, a specialist energy investment trust, has opened up opportunities by introducing institutional shareholders, enlarging the capital base and providing the cash for strategic development. development.

The nature of the group's activities is changing, be says. The Fluance Act 1984 changed the face of the asset changed the face of the asset financing industry. Until recently the demand for IFICO's fluance procurement services, both for local authorities and financial and corporate lessors, has been buoyant.

But the volume of business is talling off and margins are being squeezed, he says. There is still a substantial

There is still a substantial market for the flexible funding of assets and IFICO's asset funding has been restructured accordingly.

The acquisition in August of Douglas Allen Spiro, an estate agency, signifies IFICO's first diversification into such service areas. into such service areas.

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Salient points from the circulated statement by the Chairman, Mr. John Segal:

- The improvement in profit before taxation was the result of strong demand for our products, and the introduction of new ideas and markets.
- Our properties are constantly under review with the sole aim of maximising their value.
- Trading in the current year is encouraging and as a measure of confidence in the future, it is proposed. to increase the dividend from 0.1p to 0.25p.

Results in brief £000 36,459 £000 39,417 695 3 16p Profit for year Earnings per 25p Ordinary Share

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64	42	Bray Technologies	155	+ 1	4.0	26	19 9	20 4
201	157	CCL Ordinary	62	_	3.9	6.3	7.8	8.7
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285	213	Jemes Surrough	230	_	15.0	8.5	40	7.0
94	83	James Surrough SpcPf.	93		12.9	13.9	7.3	7.3
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UK COMPANY NEWS

Profit centre system seen as saviour of sausage maker

New recipe for old ingredients

WEDNESDAY'S announcement of more than 500 job losses at Bowyers, the sausage and pie group, was the culminatian of three months intensive analysis by its new owners, Northern Foots.

But the rationalisation was scarcely a surprise. The Hull-based milk distributor and food manufecturer (turpover £1.27bn) was not buying blind when it paid Unigate £21m for Bowyers in June, and some slimming had been expected.

in June, and some slimming had been expected.
Rarely can a compeny bave had such e clear idea of what it was acquiring. Northern was elready e direct competitor through its main meat group subsidiary. Pork Farms, sharing many of the same suppliers and customers. Pork Farms' reintive success — it made £11m pre-tax profit on £126m sales last year—had also been attracting management talent from the ailing Bowyers.

Northern bad been keeping e

Northern bad been keeping e watching brief on Bowyers for several years and was thus nhie to time its hid perfectly.

"For a long time our Pork Farms management bad been warning us off but then quite suddenly their attitude changed," commented Mr Chris Haskins deouty chairman of Northern.

Bowyers' recent history justified the earlier ceution. Unigete, which bought Bowyers for £42m in 1973, never found e winning team and management turnover remained alarmingly high. There were six managing directors in the past 10 years.

the past 10 years.
Throughout the 1970s lt was
the second largest mest products manufacturer in the UK but It



finced stern competitian from the largest, Unilever's Wall's, which could rely on its parent's market

Despite strength in the Suoth, Bowyers failed both to move up-market in the last few years and to exploit the shift to own-brand labelling by the big retailers. Last year it incurred a loss of

Last year it incurred a loss of £1.5m on sales of £1.5m.

Add to thet the rise in pork prices earlier this year, which also hit Pork Farm profits, and the epparently knock-down price tag of £21m, split between £3m for the share capital and £18m of debt, begins to seem reasonable.

But why had Northern changed its mind about the famous old sausage company, founded in 1808? Partly because, as is often the case prior to takeovers, Bowyers had made a determined start on tacking determined start on tackling some of its main problems. Realising its overcapacity it closed the Liverpool factory in



Mr Nick Horsley, chairman of Northern Foods

In the aftermath of a takeover, how does a predator company go about integrating its new acquisition?

David Goodhart looks at the case of Northern Foods, which has just announced major job losses at Bowyers,

1983 and the recently-appointed managing director, Mr Roger Daveoport, had made a promising start in reforming the company, according to Mr Haskins. Mr Devenport decided to stay with Overcapacity made et least one closure inevitable although some analysts were surprised that it was Amersham, which has been extending its range in fried products — where 483 jobs will go by next April. Mr Jack Crystal, finance director, explained that e lot more money would have had to be spent on Amersham than the other plants. with Unigate and Mr Barrie Gardner has now taken over as

MD.

The second, more nebulous, reason has to do with the growing confidence of Northern's own Amersnam
plants.
The remaining Bowyers factories are now being merged
with the ten existing Meat
Group units for administrative
purposes, but the brands and
their marketing will remain

ing confidence of Northern's own senior management in the meat business, which they entered in earnest only in 1978 when they bought Pork Farms.

Since then its net book value bas risen from £3m to £50m and annual pre-tax profits bave risen from £3m to £11m. More importantly, Pork Farms bas successfully shifted emphasis from traditional hot and cold pies to fresh premium-priced products.

The emphasis on quality, cleanliness and product innovation bas won it the loyalty of retailers such as J. Sainshury.

Mr Haskins and Northern quite distinct.
Mr Crystal added: "Bowyers mite distinct.

Mr Crystal added: "Bowyers is a very strong brand name and it would be folly to drop it. There is also e geographic distinction, with Pork Farms stronger in the Midlands and Bowyers in the South West."

Retaining the distinct products will still allow for some savings. Joint buying should benefit in e few areas such as fuel oil; minor areas of duplication can be cut out; and two computer systems will not be needed. Additionally, Mr Haskins believes Bowyers working capital was £2m more than needed when they took over on July 1.

But it is the less easily quantifiable, shift from Bowyers orthodox cost centres to Northern's profit centre system that Messrs Haskins and Horsley see as the crucial long-term improvement.

The decentralisation implicit

retailers such as J. Sainsbury.

Mr Haskins and Northern
chairman Mr Nick Horsley
clearly believe a similar transformation can be effected at
Bowyers. But first their attention has been fixed on the more
conventional post takeover concerns—rationalisation and the
Integration of Bowyers into
Northern's management system.
Despite the unusually high
quality of Northern's intelligence it was still pleasantly
surprised at the state of Bowyers
— a telling comment of the
mutual ignorance in many takeover deals.

mutual ignorance in many takeover deals.

"The feculities are better than
we expected and so are many of
the people," said Mr Haskins.
Northern inherited five fectories (Plymouth, Sherburn,
Witney, Amersham and Trowbridge), 3,300 employees and
£115m turnover to edd to its
own Meet Group sales of £154m. The decentralisation implicit in profit centres has already led to e major cut at Bowyer's Trow-bridge bead office, where 54 jobs will go. Bowyer's plants are also going through what Mr Crystal describes as an education process in the new system.
Under a profit centre regime

for example, control all their costs, including those usually borne by bead office, such as sales and marketing, and calculate their own profit figure as if an independent company. These are sent on to head office every Friday.

"Cost centres tend to cen-

"Cost centres tend to centralise more power in the self-perpetuating oligarchies at head office," said Mr Haskins. "With

office," said Mr Haskins. "With profit centres we get instant feed back on problems rather than discovering them weeks after they have blown up."

If e factory manager is responsible for more of his own costs be tends to keep them down. Profit centres, Northern believes, are thus good motivators. Through the high level of information people acquire about the histness and their place in it, it also fits with Northern's progressive industrial relations which it bought in June. Poursers despite industrial relations

tainty in Bowyers despite the latest announcement. Because of Northern's profit centre emphasis strongest support appears not supprisingly to have come from local management and most suspicion from Trowbridge. Discussions with the unions have only just begun in

customers will also have to be assured that the 25 per cent of the fibn pie and sausage market, which the combined Meat Group

which the combined Mear Group now represents, is not going to stife competition.

But the numbers are looking encouraging. Northern, which is undertaking an immediate £3m to £5m investment pro-gramme in plant and machinery,



pany to break-even this year.
"We will then be looking for
a £4m to £5m profit in 1986,"
according to Mr Haskins.

Most of the analysts are more optimistic. They are predicting an overall rise in Northern profits next year from £55.4m to £73m and they expect a one-off profit of £5m.£6m from Bowyers before settling down to a slightly lower figure.

Longer term growth will re-main, to an extent, dependent on the movement of pork prices, but also on Northern's ebility to spread Bowyers out from Its base in the south/south west and to diversify its products no-market along Pork Farm lines. If it succeeds Northern might be qualifying for the model small take-over of the year eward.

1985 Interim Report

জি Rowntree Mackintosh

Introducing a new way to balance

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KIT KAT MATCHMAKERS TOM'S GREAT AMERICAN SNACKS TOOTY FROOTIES BRO ICKLES MUNCHIES TOFFO LION BAR BLUE RIBAND SUNRISE BROS CADDY PETITS C DLA PAN YAN PICKLES DOUBLE CENTRE SUN-PAT PETITS CRACKS REVE NOIR ESCAR

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E VIOLET CRUMBLE TEK END TOM'S G'

Results in Brief 1985 £m £m · 479.2 **519.4** Trading Profit **29.1** 30.4 Interest 8.6 8.1 20.5 22.3 Profit before Taxation Taxation 4.8 Profit attributable to Rowntree Mackintosh plc before extraordinary **15.7 16.9** Earnings per ordinary share

LICK BAN

JOX GOOD NEWS + .

RAGE TURTLES GOLDE'

MARTIES CHOCO CROS

NUTCHOS LAURA SEC

ON ROLLS TEX COFFEE

KIT KAT QUALITY STRL

LITY STREET YOP

MERICAN SN

NE MINT

* Interim dividend of 4.0p – up 11% * UK profits up 13% * UK confectionery margins benefit from

cost-cutting measures ★Good volume gains in UK grocery and snack foods

* Interim pre-tax profits reflect intense

competition worldwide: the Board

remains confident of future growth

Encouraging progress by North American operations: difficult trading conditions in Canada hold back first half performance

* Mixed results from other international operations

*Record investment: capital expenditure of £75m expected for the year.

Yule Catto falls to £4.9m

lower respectively. The drop in plentation's profitability was mitigated to en extent by the inclusion of income from Keratong Estate, which was ecquired June 30, 1985. in July 1984.

Growth in the chemical division was hampered by less tavourable exchange rates in converling overseas earnings and by the late commissioning of fe49.000 (£861,000) the net plant at Doverstrand, where problems have been experienced with a computerised process control system. Steps are being of the plant and e return to profitable operation is antici-

Turnover of the group was down slightly at £63.51m (£64.11m); tex was £1.97m (£2.93m) and after minorities of £649,000 (£861,000) the net profit was £2.27m (£2.43m).

A DROP in its plantations' profitability is reflected in the fall from £6.23m to £4.89m in interim pre-tax profits of Yale Catto & Co, the other principal interests of which are in industrial chemicals and building products.

Lord Catto, chairman, reports that the yield per hectare of oil paim fruit at the Malaysian subsidiary was 37 per cent down compared with the first six months of 1984 and everage prices for crude palm oil and rubber were 16 and 22 per cent lower respectively. The drop in plentation's profitability was mitigated to en extent by the inclusion of income from Kerein 1985, passed to the sound cash position and plentation's profitability was mitigated to en extent by the inclusion of income from Kerein 1985, passed of the year. The building products division mede good progres and should while more palm oil will be produced in the second half (the rain gods were more kindly over Jahore during the flowering season for this period's crop) the group's already strong cash flow with liquidity improving £11.9m in the first six months. In view of the sound cash position and high dividend cover, earnings per share are 11.0p (11.9p), the interim dividend is increased from 2.25p to 2.5p per share. Last year's total payment was 50.0p per share. Assets per share are up from 216p to 232p mt performer of late—to 185p, down 250p region—the sector anyway has been e marked under performer of late—to 185p, down 17p, yesterday. Unlike some other plantation companies Yule

Recovery at Amber Day continues

Amber Day Holdings, a retailer and manufacturer of clothes, returned to overall profitability in the year to May 25, in line with its expectations.

Pre-tax profits rose from £36,000 to £364,000 on turnover np to £9.38m against £8.81m. After tax of £87,000 (£61,000) net profits came ont at £277,000,

The company says the results reflect the benefits of eliminating borrowing and the impressive performance of John Kent, an associate company, which contri-buted £248,000 (£178,000). Operating profits were £350,000 (£395,000) with interest receivable £14,000 against £359,000

Earnings would have been even better, says the company, had not spring sales been affected by the miners' strike and poor weather. The same factors made for a slow start to the current automatically said. the current autumn/winter sales But in recent weeks there bar been an increase in demand for

However, it says, until this improved trend is confirmed, preference dividends, last paid in April 1981, will not resume. Payment of ordinary dividends has also been suspende dfor four

There were no extraordinary items (£391,000), leaving attributeble profits of £277,000 (£366,000). Earnings a 20p share were 0.43p against losses of 1.52p

hit Trinity

encountered by Trinity Inter-national Holdings — formerly Liverpool Daily Post & Echo in the opening half of the year and profits fell from £3.29m to £2.67m in the 26 weeks to June

their markets and production relocated.

and made more difficult th

In Canada, the Surrey Leader bi-weekly paper near Vanconver continued to advance its market share and profits despite the sluggish business climate. The company's U.S. markets remain highly competitive and new titles were launched in suburbar townships in Pittsburg.

Group turnover for the first half advanced from £36.39m to £42.41m. UK tax was down from £974,000 to £673,000, and overseas tax was little changed at \$480,000 (£492,000). Attributable profits came out et £1.52m (£3.48m, which included an extraordinary credit of £1.65m). The interim dividend is un-changed at 4.2p, but stated earn-ings per 50p ordinary stock unit fell from 16.3p to 13.5p.

Merseyside problems

The company bed foreseen et the end of last year that e beavy cost burden would fall on its Merseyside weekly newspapers as they were re-positioned in

In the event, the sustained resistance of the National Graphical Association delayed moves, which have now been effected, but inevitably at greater financial cost.

Together, these factors account for the group's half-yearly profits falling back from the 1984 record.

the 1984 record.

The directors say that for the

rest of 1985 there is no hard evidence to suggest any major upturn in general business activity which could substanti-ally improve first half performances of the company's paper-making and packaging or North American activities.

Even so, the company's recent heavy capital investment in improved technology and enhanted capacity in these sectors means it is better equipped than most benefit from opportunities

that may arise.

However, with no resurgence of the economy on Merseyside of the economy on Merseyside likely to return the company's daily newspaper profits to acceptable levels, its path to e secure future lies in a reduction of the cost base and in more flexible attitudes to production. To this latter end, an advanced electronic single-keying system has been purchased for installation later in the year.

In papermaking and packaging, the istallation of a new beavy duty corrugator at Stoke

beavy duty corrugator at Stoke with its exceptional cost and transitory internal disruption was not allowed to interupt ser-vice to customers.

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Wet summer boosts start to year for Protimeter THE WET summer has been good news for Protimeter, the designer and maker of moisture measuring instruments. In the first two mouths of the present year the company reports an up-surge in orders for moisture meters from farmers, which has

the year.

That follows enother year of progress by the Buckinghamshire-based USM queted company, in which turnover incerated by 17 per cent and taxable carnings rose by 16 per cent.

In the year to the end of June 1985 on turnover of £1.33m paoy, in which turnover Incera-sed by 17 per cent and taxable carnings rose by 16 per cent. In the year to the end of June 1985 on turnover of £1.33m In the year to the end of suns 1985 on turnover of £1.33m (£1.13m) pretax profits were £459,000 against £396,000 for the previous year. From earnings per 5p share up by 0.4p to 3.3p the board is recommending a final single payment of 1p, compared with 0.7p in 1983-84.

Mr Ernest Gobert, chairman,

says thet the substantial in-crease is intended to be an excep-tional edjustment to bring the dividend cover down to an accep

table level.

He adds that good progress was made in th year. The increase in turnover and the development of new products was achieved at a slight cost to marticle progress. helped it bave a good start to

master.
During the year exports increased their share of turnover from 30 per cent to 32 per cent. A number of good export agreements were signed with organisations in Sweden. Holland, Germany end the U.S..

Eni International Bank Limited U.S. \$200,000,000

Guaranteed Floating Rate Notes due 1993 onditionally and irrevocably guaranteed by Ente Nazionale Idrocarburi In accordance with the terms and conditions of the

Notes, the rate of interest for the interest period September 20, 1985 to December 20, 1985 has been fixed at 85/10% per annum. Interest payable on December 20, 1985 will be US\$210-12 per Note of US\$10,000.

Morgan Guaranty Trust Company of New York
London Branch

Hogg disposal may need approval

Mr Albert Wheway, the group chairman, said at yesterday's annual meeting that the "board is conscious of its responsibility to secure the best offer on behalf of abareholders " who are aware no doubt of the time limit and restrictions imposed by the Lloyd's Act (of Parliament).

BY CHARLES BATCHELOR

shire brewer. leaving a mystery over Bateman's plans.

Midsummer announced on September 4 that it had reached

agreement in principle to acquire Bateman, which has 90 pubs in Lincolnshire and surrounding counties.

liament, which identified potenlial and actual conflicts of
interest in the existing Lloyd'a
structure. Over balf of the 114
underwriting agencies affected
have completed divestment
arrangements.

But at Hogg Robinson delicate
negotiations are underway with
the management of the broking
group and the management of
Janson Green, one of the
market's most influential underwriting agencies where the
management is attempting a

"Your board will keep share holders adequately informed and may need to seek sharebolders' approval to the divestment," be said.

Like all Lloyd's insurance brokers, Hogg Robinson has to sever sbarebolding links, by July 22, 1987, with compenies

Hogg Robinson Group, the managing the affairs of Linyd's is attractive for its shareholders, international insurance broker, underwriting members in accordance with legislation passed in divestits important Lioyd's lance with legislation passed in only holds 20 per cent of the voting shares of Janson Green.

Lloyd's has been forced to accept the requirement by Parameters. The holds of Janson Green although it controls the non-line group is also in the light of the legislation passed.

had considered including the underwriting members whose affairs Janson Green look after directly in any buy-out arrangement. He replied that the group had "considered a number of schemes" and that if was attempting to balance the interests of shareholders, the management of the agency, and

the underwriting members in the

Regarding trading, he said that growth in the broking business which started last year was continuing. The group bad made additional senior appointments which "further strengthen the management team in our broking voting shares.

The broking group is also in divestment discussions with its nucerwriting agency, Gardner Mountain and Capel-Cure Agencies.

At the annual meeting, Mr Wheway was asked whether be had considered including the in

"On the other hand the con-tinuing strength of sterling against other currencies will have an impact on our results and it is difficult to forecast the effect of this for the current year." be said.

Despite currency movements, be said "profits for the first few months are ahead on the corres-ponding period last year."

TR pays £8m for Cass losses Telephone Rentals, the communications group which claims commended the offer, said last to be second only to British relecom in apparatus supply and fortable "obout the terms, and service, yesterday announced an agreed offer for Cass Group, valuing the company at £7.9m. down price. He said, bowever, there would not be the company at £7.9m. "strategic importance" during the next decade.

the next decade.

Both companies also produced yesterday their interim results for the first half of 1935. Cass saw pre-tax profits slightly up from £457,000 to £488,000 in the period to June 30, on turnover down at £4.95m (£5.24m): The company decided to close down all the activities of the leisure division, and this has now ceased trading. Earnings per USM quoted share came to 5p (4.2p), and the dividend is held at 1.35p.

At TR, profits rose from £6.65m to £7.13m in the same period on turnover of £34.35m (£35.44m). Mr Gus Moore, group managing director, said that the rather disappointing result was due primarily to the overseas subsidiaries, especially in the Irish Republic and Australia. Overseas profits were down 25 per service, yesterday announced an agreed offer for Cass Group, valuing the company at £7.9m.

Cass announced on August 6 that it was in negotietions with several unspecified other companies which could lead to an offer, and this pushed the group's shares as high as 205p at one stage. However, TR's all-share offer—three of its own ordinary along with his brother on company shares for every four of Cass's 10p ordinary—values Cass at 125p per share, exactly the opening price on August 6.

It is understood that other management succession. at 135p per share, exactly the opening price on August 6.

It is understood that other potential bidders were put off by the possibility of difficulties in the Mitel PABX marketing operation, which has incurred sizeable start-up costs. In the end, TR were the only buyers left in the field.

Mr Wilfred Cass, the group deputy chairman whose family holds a total of 68.7 per cent of which it considers will be of the commitment to the company and provide for strong director, said that the rather disappointing result was due primarily to the overseas subminately complementary, and the acquisition would provide it with an entry into the health care market, principally in emergency signalling in bospitals, residential bomes and aheltered bousing, and the company intends to recommend a final of 4.5p (4p).

Midsummer lines, a real-ale pub chain, has pulled out of take-over talks with George Bateman & Son, a family-owned Lincolnshire brewer, leaving a mystery

Bateman is believed to have reached agreement with another the sister, Helen, 20 per cent of the brewery and their sister, Helen, 20 per cent of the brewery and the br reached agreement with another purchaser but Mr George Bate-It is understood there has been man, chairman, and a 40 per cent shareholder in the group,

refused to comment yesterday. acquire Bateman, which has 90
pubs in Lincolnshire and surrounding counties.

Mr Adam Page, Midsummer's
chairman, said: "Since then the
deal has been on and then off. Bateman invited offers. Mid-September 4, at Midsum

a disagreement between Mr George Bateman and his brother and sister over the deal.

Trading was resumed in Midsummer's shares on the USM
yesterday at 274p. The listing
had been suspended at 265p on

Pargesa Holding SA

Brewery takeover talks off

Notice is hereby given to shareholders of an

Ordinary Shareholders' Meeting

to be held on Tuesday October 1, 1985 at 11.30 A.M. at the Head Office of BANQUE PARIBAS (SUISSE) S.A. 2 Place de Hollande, Geneva (Switzerland)

AGENDA:

- 1. Report of the Board of Directors, presentation of the Financial Statements for the fiscal year ended June 30, 1985, and the Auditor's Report.
- 2. Discussion, approval of said Reports, and proposals to allocate the net profit.
- 3. Release and discharge of the Board of Directors.
- 4. Resignations from and appointments to the Board of Directors.
- 5. Appointment of the Auditor.
- 6. Increases of capital.
- a) Resolution to increase the capital from SF 787,500,000 to SF 792,000,000 by issue at par of 45,000 new registered shares of SF 100 each and resolution of the registered shareholders to renounce to exercise their subscription rights.
- b) Confirmation of the subscription for the shares and payment in full to the Company of the proceeds of the capital increase.
- c) Resolution to increase the capital from SF 792,000,000 to SF 891,000,000 by issue at par of 90,000 new registered shares of SF 100 each and by issue at par of 90,000 new bearer shares of SF 1,000 each, reserved to the present shareholders, in the proportion of one new share for each eight shares held.
- d) Confirmation of the subscription for the shares and payment in full to the Company of the proceeds of the capital increase.
- 7. Amendment of articles 5, 23, 33 and 34 of the statutes.

Shareholders may obtain entry cards to the Shareholders' Meeting at the BANQUE PARIBAS (SUISSE) S.A., UNION DE BANQUES SUISSES, SOCIETE DE BANQUE SUISSE and CREDIT SUISSE, from September 20 until 12 noon on September 30, 1985, depositing their shares or a receipt for such deposit with another bank.

The Annual Report, including the income statement, the balance sheet, the Auditor's Report, the proposals by the Board of Directors regarding the allocation of the fiscal year's net profit as well as the proposed amendments, to the statutes, are available to the shareholders from September 20, 1985, at the Head Office and the subsidiaries of the aforementioned banks.

Geneva, September 18, 1985

For the Board of Directors

A. de Pfyffer

S. Tapernoux Secretary

Jebsens at £8.8m

Jebsens Drilling, USM quoted supplier of offshore drilling units, incurred higher pre-tax losses of £8.8m in the first half of 1985, against £3.9m last time. Deficit per 25p share increased from 20.3p to 32.2p.

Turnover for the six months was £19.3m, against £17m in 1984, which included a lump sum payment of £22.3m by Petro-Canada. This was in respect of the early termination of the contract for the drillship Pacnorse 1 which was spread over the cancelled period of that contract—January 1 1984, to October 31 1984.

Although rig utilisation in the North Sea was in excess of 90 per cent for most of the first half, day rates failed to increasa due to the prevalence of short-term contracts coupled with a surplus of drilling rigs.

The company's semi-submersibles achieved a 94 per cent utilisation rate in the period and Pacnorse 1 was fully employed except for a one month period for a scheduled dry docking. Giving an overall utilisation

of 90 per cent as at mid-September, the company's three semi-submersible rigs are fully employed; Aladdin under its contract to December 1986 with BP and Sinbad Saxon and Ali Baba on short-term work in the North Sea. Pacnorse 1, which recently completed a job for Shell Tunires is in Malta, mobilising for another ebortterm programme for the com-pany expected to commence on or before September 28 1985.

In early June, a new loan arrangement was agreed in principle with the banks. It recognises the current depressed state of the offshore drilling market and significantly reduces near-term debt service requirements. ments.
The company says its cash position is bealthy and it can

from a secure financial base. Gross losses were £2.7m (£0.8m). Pre-tax results were (20.mm). Pre-tax results were etruck after administration expenses £1.8m (£1.5m), exchange losses £1m (£0.7m gains) and net interest charges of £3.3m (£2.5m). Tax credits were £2.2m (£2m) and minorities accounted for £1.5m (£1.3m).

Aurora share plan

Aurora, the Menchester-based engineering group, has published details of the proposed consoli-dation of its two share classes. The consolidation is intended to correct the anomolous current situation whereby 97 per cent of the group'e total equity is held in the form of preferred ordinary

The scheme, which is to be put to an extraordinary meeting on October 9, involves the conver-sion of the 8 per cent preferred ordinary 10p stock into ordinary 10p shares.

If approved, the company intends to pay a net interim divideod of 0.3p next month and a final dividend of 0.45p next May. It also intends to adopt a "progressive" dividend policy.

On these forecasts, the aggregate dividend receivable by a prefixed ordinary bolder for the ent year would be at least

See Lex

Baneficial Trust Ltd. 12%
Brit Bank of Mid. East 11%
Brewn Shipley 111%
CL Bank Nederland 11%
Canada Permanent 111%
Canada Permanent 111%
Cayzer Ltd. 111%
Codar Holdings 12%
Choulartons**
Choulartons**
Citibank NA 11%
City Merchants Bank 111%
Clydesdale Bank 111%
Comm. Bk. N. East 111%
Consolidated Credits. 11%
Consolidated Credits. 11%
Consolidated Credits. 11%
Cooperative Bank 111%
The Cyprus Popular Bk. 11%
Cooperative Bank 111%
Consolidated Credits. 11%
Exeter Trust Ltd. 12%
First Nat. Fir. Corp. 13%
First Nat. Sec. Ltd. 13%
First Nat. Sec. Ltd. 13%
Robert Freming & Co. 113%
Robert Freming & Co. 113%
Grindlays Bank 111%
Guinness Mahon 112%
Guinness M

Says.

climbs 14% to £11.4m

BPCC

was achieved in its traditionally quieter first half period by the British Printing & Communication Corporation.

With the taxable result up from £10.02m to £11.43m, Mr Robert Maxwell, the chairman and chief executive, says "we are well on the way to becoming a leading international publishing and communications group."

Turnover for the first six months of 1985 advanced from £112.64m to £126.51m, generating an operating profit of £15.38m, against £14.48m. The buik of BPCCs profits are earned in the second half since its major customers national publications have a substantially higher number of pages and copies printed through the autumn and Christmas periods.

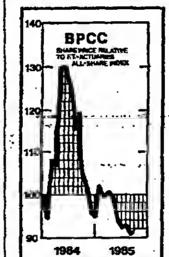
Mr. Maxwell save that good

Mr Maxwell says that good first half results were achieved in the magazine and catalogue division, where "earlier teething problems have been eliminated and we received the expected benefits from our new equipment."

Similarly, the Prepress Corporation, mother area of heavy investment in new technology, again "improved its profitability, and can be expected to achieve further substantial progress."

The packaging and label-ling operation also showed a significant improvement, be says, but expresses disappointment over delays caused by print unions in the rationalisation of Purnell & Sons. The delays "have caused a very substantial loss of profits in the period."

BPCC, which is a sub-sidiary of the Pergamon Group, is increasing its interim dividend by 33 per cent to 4p, although earnings



per share fell from 9.7p to 5.8p, reflecting the non-avallability of group relief payments from the Pergamon Group which contributed \$4m in the first half of 1984.

Mr Marwell says the reorganisation of the gravure plants, which represent 75 per cent of the country's gravare printing capacity, has been completed with a further reduction of 740 jobs.

At least two-thirds of the redundancies will have taken place by the end of this month. "This restructuring successfully completes the original survival plan (initiated four years ago) with the co-operation of all the print trade union," he

In addition to the labour and other cost reductions at Odham-Sun Printers and Pursell, he says that sub-stantial investment in prepress and web-offset printing equipment has been made.

William Baird pushes up halfway profits by 16%

William Baird, clothing manufacturer and industrial insulation contractor, based in Glasgow, increased pre-tax profits by 16.5 per cent to £4.89m in the 2x months to June 30 against £4.22m last time, with both sectors making progress.

The interim dividend is raised by 0.79 to 7.7p per £1 share and the board intends to recommend a final of not less than last year's 10.50.

a final of not less than last year's 10.5p.

Group turnover was up to \$106.65m (£33.94m) and operating profits increased to £5.51m against £5.45m. This included £4.4m (£3.96m) from Baird Textiles, £1.54m (£1.05m) from Darchem and investment income of £571,000 (£446,000).

The increase in the turnover of Baird Textiles, a third of the clothes of which go to Marks and Spencer, reflects improved efficiency and output in manufacturing, says Mr T. D. Patr, chairman.

The strength of the product

facturing, says Mr T. D. Part,
chairman.

The strength of the product textile companies the 11 per
range was again an advantage,
be says, enabling growth to conBaird's textile business is

tinne in poor weather.

Darchem, which lifted turnover to £31.08m (£27.07m).

Extended its engineering, says after Part, and work on large to nuclear plant contracts remained at a high level.

Historically, be says, e high proportion of Darchem profit has accrued in the second half. The degree of advance in profits over the first half of 1984 reflects e changing pattern between the half-years in 1985 rether than a trend for the whole year, he says.

Pre-tax profits were struck after central administration expenses of £185,000 (£195,000) and interest charges of £1.44m (£1.04m). Tax took £1.25m of £1.25m), giving attributable profits of £3.67m (£2.97m). Examings per share were 19.5n (15.8p).

Comment

Given the performance of some textile companies the 11 per cent rice in novereting profits by redetor must surely be it goes on for much longer a predetor must surely be

Financial Times

URBAN

RENEWAL

SURVEY

Tuesday

October 8th

1985

For further details contact

ANDREW WOOD

01-248 5116

Telex 885033

COMPANY NEWS IN BRIEF

BTS GROUP, manufacturer and supplier of fast-fit accessories to the motor trade, performed ahead of budget in the early part of the year, Mr Alan Stote, chairman, told the annual meeting. The expansion of the battery business was particularly gratify. of the year, Mr Alan Stote, chairman, told the annual meeting.
The expansion of the battery 50,282,942 Sellncourt ordinary business was particularly gratifying, he said. The company and preference offers remain remained confident of a satisfactory profit increase over last further notice.

FRIEDLAND DOGGART Group, manufacturer of sound signalling equipment, injection and compression moulding and plastic toys, recorded pre-tax profits down to £725,000 (£1.11m) for the 24 weeks to June 16 on external sales of £5.77m (£6.15m). There is no interim dividend (2.8p) in view of the recommended offer by MK Electric, the formal document for which was posted yesterday. posted yesterday.

WESTPOOL INVESTMENT Trust saw net profit for the year to April 30, 1985 rise from £1.36m to £1.69m on gross income of £3.04m (£2.62m). After tax of £783,000 (£506,000), earnings per share came out at 1.72p hasic (1.38p) or 1.47p fully diluted (1.18p). A final payment of 1.174p makes a total for the year of 1.518p (1.38p).

NORTON OPAY has exchanged contracts to ecquire Whitethorn Press, publishers of the series of "County" magazines, from in-ternational Thomson Publishing, part of the International Thom-son Group. Consideration is to be equal to the tangible assets of the business at September 30, 1985, which are expected to amount to £80,080 £100,000, plus a payment of £250,000 in respect of goodwill. The purchase will

MERCANTOIL which supplies

with investment institutions, and the balance in cash.

SELINCOURT: Stormgard has

MERCANTOIL which supplies services and equipment to the offshore oil industries, has announced pre-tax profits of £290,000 for the six months to end-June 1965. compared with £121,000 for the year to December 1984. Turnover was £5.54m (£3.89m). The group bas completed the acquisition of Associeted Offshore-Onshore Services Pte.

WINTRUST'S shareholders at the AGM were told by Mr George Szpiro, the chairman, that "I bave every expectation that pro-fits for the full year will be at record level." ABERDEEN AMERICAN Petro-

ABERDEEN AMERICAN Petroleum Company, unquoted
exploration copany, saw pre-tax
posses for the first half of 1985
increase from £407,000 to
£556,000. Oil and gas sales rose
to £441,000 (£303,000) but an
increase in the costs of abortive
exploration from £234,000 to
£494,000 contributed to higher
operating losses of £672,000
(£407,000). That was reduced by
higher interest income of
£116,000 (£18,000)....

MAGNET & SOUTHERNS' sales to date this year were et a level comparable with last time, which included the pre-VAT boom, Mr Tom Duxbury, the chairman, told the annual meeting. The company's markets continued to issue of £287,719 new ordinary show no signs of growth, while shares in Norton which will be competitive pressures bad replaced on behalf of the vendor sulted in lower margins.

264,089,476

BANK RETURN

BANKING DEPARTMENT	Wednesday September 16 1985	Increase (+) or decrease (-) for week		
ABILITIES apital ubito Deposits anikers Deposits eserve and other Accounts	2,002,797,810 747,508,760 1,471,611,654	· -	£ 216,840,5ee 13,772,945 e1,0e1,859	
	4,326,431,224	Ξ	264,089,476	
SEETS overnment Securities varine & other Accounts ramises Equipment & other Secs. otes	643,777,771 594,231,481 3,184,534,589 3,383,458 864,045	11111	39,670,000 1,786,066 218,076,646 4,553,054 53,714	

ISSUE DEPARTMENT

LIABILITIES Notes in circulation Notes in Banking Department	22,096,676,542 3,588,456	<u>!</u> =	25,446,946 4.553,054
:	12,100,000,000	; -	80,000,000
ASSETS	11,015,100 1,604,909,495 10,484,078,405	-	297,496,255 267,496,655
	12,100,000,000	:=	30,000,000

RESIDENT

Resident Abroad, published by Financial Times Business, information, is Britain's monthly magazine for people living or working overteas. It informs and advises on all aspects of finance and business, with articles on UK and foreign with articles on UK and foreign investment, property, pensions, taxation and insurance, it entertuins and informs on matters of health, education, travel and feisure — all of this every month. Tens of thousands of expatriates around the world already benefit from this magazine — ask your-self if you can afford not to join them.

For subscription details and a free copy of the latest lasue contact: Janico Liverseidge on 01-405 6969 or telex 883694 ICLDN G

FINANCIAL TIMES CLWYD SURVEY

OCTOBER 11, 1985 For further details contact: BRIAN HERON 061-834 9381 Telex: 666813

Issued and to be

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BASE LENDING RATES ABN. Bank 11/3 Hambros Bank 11/3 Allied Dunbar & Co. 11/3 Allied Dunbar & Co. 11/3 Allied Lirish Bank 11/3 Allied Lirish Bank 11/3 American Express Bk. 11/3 C. Hoare & Co. 11/3 American Express Bk. 11/3 C. Hoare & Co. 11/3 Amorican Express Bk. 11/3 C. Hoare & Co. 11/3 Amorican Express Bk. 11/3 C. Hoare & Co. 11/3 Amorican Express Bk. 11/3 Johnson Matthey Bkrs. 11/3 Associates Cap. Corp. 12/3 Knuwsley & Co. Ltd. 12/3 Bank of Bilbao 11/3 Knuwsley & Co. Ltd. 12/3 Bank of Ireland 11/3 Edward Manson & Co. 12/3 Bank of Ireland 11/3 Mogan Grenfell 11/3 Bank of Ireland 11/3 Mount Credit Corp. Ltd. 11/3 Bank of Scotland 11/3 Mount Credit Corp. Ltd. 11/3 Bank of Scotland 11/3 Mount Credit Corp. Ltd. 11/3 Baneficial Trust Ltd. 12/3 National Gro Bank 11/3 Baneficial Trust Ltd. 12/3 Brit. Bank of Mid. East 11/3 Norwhere Bank Ltd. 11/3 Brit. Bank of Mid. East 11/3 Norwhere Bank Ltd. 11/3 Brit. Bank of Mid. East 11/3 Norwhere Bank Ltd. 11/3 Norwhere Bank Ltd. 11/3 Brit. Bank of Mid. East 11/3 Norwhere Bank Ltd. 11 This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange

JUST RUBBER plc (incorporated in England under the Companies Acts 1948 to 1967 and re-registered under the Companies Act 1985) Number 959967

Quilter Goodison Company Limited of 1,875,000 Ordinary Shares of 10p each at 62p per share

Authorised

Share Capital

issued fully paid £750,000 Just Rubber specialises in offering o comprehensive and speedy rubber covered roller service to a wide range of industrial users. The Company covers, repairs, and re-covers customers' rollers in a variety of in-house produced rubbers and manufactures complete rubber covered rollers, including the core, for supply both to the user of the roller and to machine manufacturers.

In ordinary Shares of 10p each

Application has been made to the Council of The Stock Exchange for the grant of permission for the whole of the issued and to be issued share capital of Just Rubber plc m be dealt in the Unlisted Securities Market. A proportion of the shares being placed are available to the public through the market during market hours on Monday 23rd September 1985. It is emphasised that no application has been made for these securities to be admitted m official listing.

Particulars relating to the Company are evailable in the Extel Statistical Services and copies of the Prospectus may be obtained during normal business hours on any weekday (Seturdays excepted), up to and

Quiter Goodison Company Limited Garrard House, 31-45 Gresham Street, LONDON EC2V 7LH.

APPOINTMENTS

Senior Powell Duffryn posts

POWELL DUFFRYN has mede changes in board responsibilities and stellor group appointments. On September 30 Mr J. A. Mills, a one-accurative director of Frowell Duffryn, will be appointed the board of Hamworthy Engineering and will become chairman of the group's full also be chalfman of the group's full also be chalfman of the group's building in the board of Hamworthy Engineering and will become the stribution activities, will also be chalfman of the group's building in the board of Hamworthy Engineering and stribution activities, will also be chalfman of the group's building in the board of Hamworthy Engineering and will become the stribution activities, will also be chalfman of the group's building in the board of Hamworthy Engineering and will become the stribution activities in succession to Mr J. S. Andrews.

ALLIED LONDON PROP. APPLIANCE OF THE STANDARY OF THE

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LAZARD BROTHERS & CO has

recruited Mr Kevin Wilson as an assistant director to run Lazard Brothers Money Broking. Mr Wilson is treasurer of London and Scottish Marine Oil where he has been since 1984.

and a non-executive director since November 1984, becomes chairman and chief executive.

Mr King succeeds Mr R. E. Dexter, who remains as a non-executive director for a transit executive director for a transi-ticoal period. Mr A. A. Schn-mann is retinquishing the managing directorship in order to purtue a new career in tha arts, but remains on the board.

Mr Peter W. Wake bas been appointed financial director of ANTOCKS LAIRN, a subsidiary of Wagon Industrial Holdings.

Mr C. G. Stapleton has been nppointed a non-executivo director of TRADE FINANCE INTER-

OWEN OWEN has appointed Mr Bryn G. Harries as managing director from November 1. Mr Harries was for 26 years with Marks & Spencer in a wide range of functions including huying, distribution and store development. In 1982 he was appointed managing director, and later managing director, and later chairman, of Berioi (UK).

BESPAK has made the foltowing changes in the roles of three senior directors from October 1.

Mr R. R. King, deputy chairman and 2 non-arcountive chairman formation and 2 non-arcountive chairman formation of the company of the comp Wilson, Chief executive of London Forfaiting Company, bave been appointed to the board of EXCO INTERNATIONAL.

Mr L. J. Santerre, president of AmBrit Incorporated, has joined th board of STEAUA ROMANA.

Mr John E. Millyer, formerly rroup treasurer with Ocean Transport & Trading, has been appointed finance director of PANOCEAN STORAGE & TRANSPORT.

Mr L. J. Austin, deputy chief representative in Europe of tha RESERVE BANK OF AUSTRA-LIA has returned to Australia and is succeeded by Mr L. J.

MICHAEL BLACK has remained man have been appointed to the board of HENKEL CHEMICALS.

NORTH THAMES GAS has appointed Mr Peter Smith as director of finance. Mr Smith, who joins North Thames on November 1, is director of as manager of its London

? Accustomed to being rude in dreadful fashion (6)

The heartless baving the right to impose some restric-

11 One may expect people to go to pot at this hour (3-4) 14 Militant Romanian leader displaying ill-temper (7) 17 Fed-up with the last cham-

pion (8) 18 Flora's plain words ebout lip

(8)
19 A set grin affected by the most irritated (8)
22 The property-owner lacking gold (6)
23 Deny soldiers are not able

tion (6)

MASSTOR SYSTEMS INTER-NATIONAL has appointed Mr Richard A. Milley as director of marketing for Europe. He was director of marketing western region, U.S.

ROLLS-ROYCE has appointed Mr A. D. Jackson as director of international affairs.

MACEY WILLIAMS has appointed Mr Ian Watson a director from October 1. He was previously an assistant director.

Mr Reger Maheney is to join CHARLES FULTON to lead its UK foreign exchange broking operations. He was formerly director of foreign exchange at Godsell Astley & Pearce, part of Erco.

Mr Victor Tyrrell, who recently retired as regional general manager, Greater Loodon (North) regional head office, bas been appointed a member of the Central London regional board of LLOYDS BANK from October 1.

Dr Leandro Deigado has resigned as general manager of BANCO PORTUGUES DO ATLANTICO, London branch, and is returning to Portugues, a newly formed Portuguese priveta 0

October 1. Mr Peter William October 1. Mr Peter Williams will retire from executive duties on October 81 and Mr A. W. N. Lake on January 81; both will remain on the board. Mr D. A. Urquhart will become chairman of Hedges & Butler in succession to Mr Lake on November 1. Mr Urquhart will continue as chairman of Southern Beer division and director responsible for group marketing.

Mr J. F. H. (Jim) Park has been appointed a director of ICI petrochemicals and plastics division. Ha is replaced as the division's general manager, films, by Hr C. A. (Rees) Bohmans, currently concret manager murches. rently general manager, purchasing and head of the corporate purchasing group.

Mr Charles F. Shoolbred has been appointed secretary of MERCANTILE CREDIT CO from October 14. He succeeds Mr Derek M. Minter who is retiring.

HOWARD MACHINERY bas restructured its board. Mr D. M. Saunders has been appointed chairman and chief executive in place of Mr G. R. Hill who resigns on October 1. Mr J. G. Hemingway, Mr E. E. Ray and Mr N. D. Dunnett continno as directors. The following directors have resigned: Dr J. T. Bransheltz, Mr B. W. Flinn, Mr C. J. Great, and Mr D. J. Falmar. Mr B. J. Adkins has resigned as group director of finance.

NATIONAL GROUP. bas appointed Mr Victor Prior as president and managing director of its industrial division. He was manager of the electro-optical surveillance division of Marconi Avionics. Ha division of Marcom Avionics. ha succeeds Sir Ronald Ellis, who has assumed responsibility for technological development for all the group's operating units, and will be its prime contact with Government departments, universities and research insti-tutions. As a director of the International Group, he will also continue as non-executive chair-man of Graviner and Pains-Wessex.

Chairman at AGB Communications

Mr Kenneth Trench has joined AGB COMMUNICATIONS as Mr Kenneth Trench has Joined AGB COMMUNICATIONS as deputy chairman and chief executive. Ms Barbara Burrows, previously editorial director, has been appointed director, corporate publications division, and Ms Gillie Gray has been appointed director, PR division. Mr Geoffrey Morgan, who has been managing director of AGM Communications since 1981, has resigned.

private bank where he will be head of the 'International and treasury departments.

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BASS has made the following board appointments: Mr B. O. Langton and Dr A. D. Portno to be appointed directors from the systems division. Stafford.

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Mr A. R. Grant has been manager of GEC INSTALLATION EQUIPMENT, fusegear division. Mr Grant was previously general manager of GEC Meters, energy management systems division, Stafford.

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F.T. CROSSWORD PUZZLE No. 5,826

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gangster (6) 30 Withdrawing again—losing Interest (8)
31 Object when put in temporary accommodation (6)

DOWN 1 Perts, yet maybe gets together—that's material (8) 2 Fell on others in control (8) 3 Fights for what's left over

6 Cover-up involving a politi-cal body (4) FINANCIAL TIMES is proposing to publish a survey on

UK PORTS on Monday, October 21 1985
Advertising copy date for this survey is
Monday, October 7 1985
Monday, October 7 1985
For further details and a copy of the editorial simopsis contact:

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Defective Services - Can You Afford To Leave It In The Hands

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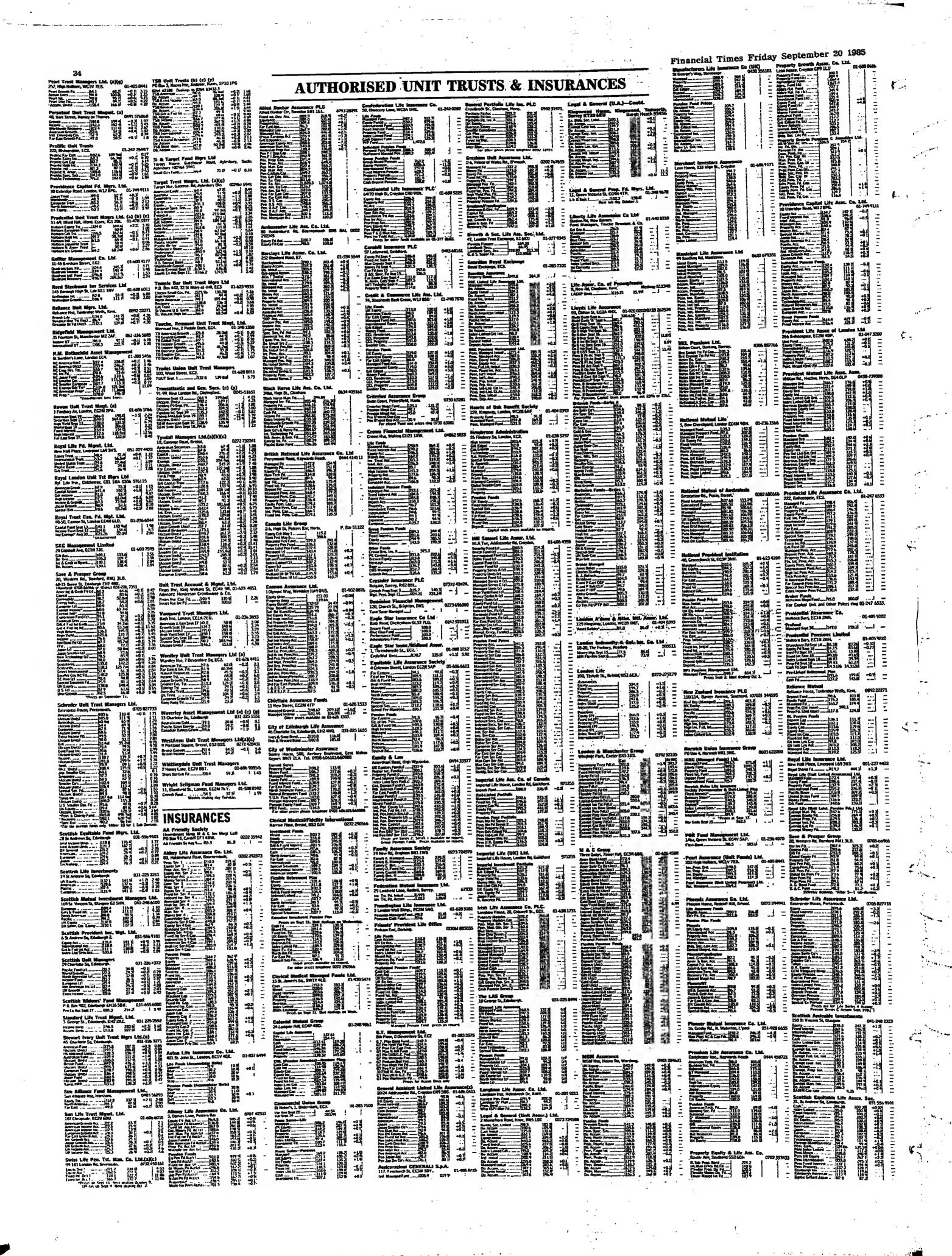
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aspects of the subject, with examples from Canada, Australia, New Zealand and the USA, as well as fully explaining the position in the UK. Published July 1985.

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EEC fights back in grain sales war MARKETS

Producer move sends

nickel to 1½ year low

bridge.

shifted its position in the improve profitability in the market in recent days. However, it said that it had done ing heavy losses in the early market since the end of June. 1980s—continue to drive to cut

"very little" in the market costs, This week, Canada's since the end of June. "You Inco, the world's largest nickel could say that our presence has group, announced plans for been sorely missed," it said.

The LME nickel market was its Sudbury mines,

BRITAIN'S £100m trade in ox estimated to have gone through

Hides sales suspended

By lifting the so-called droit commun — the subsidy perma-nently on offer for export sales —from Ecu 41 to Ecu 55 (\$42) a tonne, the European Commission is attempting to match the prices for eoft red winter varieties available from the

The failure of an Algerian sale to materialise and the clear escalation of the subsidy-war

Preussag falls

into line with

zinc price cut

By Our Commodities Staff

PREUSSAG OF West Germany

yesterday belatedly followed Metallgesellschaft's lead in dropping its zinc price by \$50 to \$780 in tonne.

notably Australian and Cana-dian groups, who have yet to drop their European prices are now expected to follow suit.

Nevertbeless, the fact that the current round of price cuts

has so far taken three weeks and is still complete highlights

the strain which falling free market prices have placed on

the zinc producers' informal agreement to move together in

setting the European producer price. In the past the producing companies have usually taken

Metaligesellschaft'e lead and

changed prices within days of

Output cuts have also so far

failed to raise the price of zinc which is used extensively in making galvanised iron abeet.

Yesterday the Japanese smellers became the latest to

announce production cuts. They intend to reduce output in the six months to March 1986 to 5 per cent below that of the pre-

exports, mainly of galvanized

The sheet acounts for some

They said the smelters oper-

ated at an estimated 74 to 75 per

cent of their combined 1m tonne annual production capacity in the six months ending Septem-

ber 30 this year.

An official with ane major zine smelter said domestic zine

prices are now below several smelters' production costs, but did not name the companies

and about 40 per cent of the public auctions.

40 per cent of Japanese zinc use

sheet is exported.

THE EEC has acted swiftly to fight off further cut-price U.S. grain sales to North Africa or the Middle East by raising sharply the minimum guaranteed export subsidies available to traders.

The move follows the U.S. sale of 500,000 tonnes of wheat to Egypt under its so-called BICEPS export bonus scheme and comes amid rumours of another imminent deal with Algeria.

By lifting the so-called droit commun— the subsidy permaneratives and traders are also said to be feeling. Chicago rates down marginal to \$94 a tonne and Rotters ally to \$94 a tonne and Rotters to the Yemen, also under the BICEPS programme, has been vention rate stands at around Ecu 179.4, the Ecu 55-a-tonne subsidy is aimed at keeping European produce competitive in traditional North African markets. But the trade now fears that the size of the U.S. sale to Egypt will all but rule out further substantial orders in that particular market for the early successes of last year. He can down.

At the end of August, only the pressure A U.S. offer to the Yemen, also under the BICEPS programme, has been vention rate stands at around Ecu 179.4, the Ecu 55-a-tonne subsidy is aimed at keeping European produce competitive in traditional North African markets. But the trade now fears that the size of the U.S. sale to Egypt will all but rule out further substantial orders in that particular market for the EC intervention rate stands at around Ecu 179.4, the Ecu 55-a-tonne subsidy support from the Commission is losing the pressure. A U.S. offer to the Yemen, also under the BICEPS programme, has been vention rate stands at around in a market usually reserved for the Australians.

Since July, there bave been complaints from the trade that insufficient subsidy-support from the Commission is losing the pressure. A U.S. offer all to the Yemen, also under the BICEPS programme, has been to the Yemen, also under the BICEPS programme and to the Yemen, also under the BICEPS programme, has been to the Yemen, also under the BICEPS programme at unwarranted aggression in a marke

BY STEFAN WAGSTYL

dropped

dropping its zinc price by \$50 to \$780 in torme.

The move had been widely expected and had little effect on prices on the London Metal Exchange where three-month, high-grade metal closed down £5.50 at £517.50 a tonne.

Other major producers supplying the European market, notably Australian and Canadian groups, who have yet to drop their European prices are now expected to follow suit.

dropped sharply yesterday on reports that some nickel producing companies had stopped buying in the market.

Three-month metal fell £160 from Wednesday's unofficial closing price of £3,282.50 a tonne, the lowest level for 18 months.

Traders said speculators hadding metal sold heavily to cut their losses while others pushed prices down further by

NICKEL PRICES on the London Metal Exchange

pushed prices down further by
entering contracts to sell at the
new, low, levels. "There was
a bit of a panic," said one.
Some traders blamed the fall
on reports that nickel pro-

ducers, primarily the Canadian company Falconhridge, had stopped buying metal. Falconbridge denied that it bad shifted its position in the market in recent days. How-

BY ANDREW GOWERS

Representatives

The Japanese blamed low BRITAIN'S £100m trade in ox estimated to have gone through rices and an expected drop in and cow hides is likely to be public auction. That figure has rices and an expected drop in plunged into confusion next

month, following a decision by England's three selling centres

euction centres—Leeds, Man-chester and Birmingham—

decided unanimously at a meet-ing in Sheffield last week to suspend auctions for the time

being from October 1, as e result of diminishing use of them by the trade, and of their failure to agree on establishing

a single national market.

suspend their fortnightly

sharply yesterday on

Ecu 179.4, the Ecu 55-a-tonne subsidy is aimed at keeping European produce competitive in traditional North African markets. But the trade now fears that the size of the U.S. sale to Egypt will all but rule out further substantial orders in that particular market for the time being.

EEC producers and traders the alarmed that beavy stocks and the price squeeze may encourage buyers 10 stay out of the market in anticipation of further falls. The Soviet Union, for example, still has 1.1m tonnes remaining out of the 4m tonnes it agreed to buy from the U.S. this year.

Other grain exporting reserved for the Australians.

Since July, there bave been complaints from the trade that insufficient subsidy-support from the Commission is losing the EEC its normal rate of sales. Certainly compared to these are down.

At the end of August, only 1m tonnes of wheat were eommitted against 4m at the same time last year. Though sales of 500,000 tonnes of flour were an improvement, e similar quantity of barley compares poorly with 2m tonnes last time. These are now said to be picking up.

Overall, however, the outlook is looking as bleak for sellers as It is cheery for buyers. At

over 500,000 tonnes, said Falcon-

Nickel prices have been weak for most of this week after the LME announced on Monday that its stocks of the metal had

risen by 240 tonnes to 5,228 tonnes, when a fall had been

widely expected.
Yesterday's price drop took

nickel below the psychologi-cally-important level of \$2 a

pound. Traders said that the timing could be significant since major producers and con-sumers are currently negotiat-

ing contracts for supplies for the last quarter of 1985. Meanwhile, the nickel pro-ducers—who heve struggled to

intervention munity intervention stores with the figure rising daily. World oversupply and new exporting countries are expected to maintain pressure on prices for some time yet.

Meanwhile, the Commission yesterday refused all hids for the export of each when for the export of each when for the export of the

the export of soft wheat for the second week in succession at

second week in succession at its cereals tender. But it authorised the export of 189,000 tonnes of barley.

World wheat stocks are likely to rise to 141m tonnes next year, 48 per cent above their level at the baginning of this decade as a result of five this decade, as a result of five successive seasons of over-supply, the International Wheat Council said yesterday. It fore-cast Soviet import demand this season at 36m tonnes, 1m below its previous estimate and 20m below last year's imports,

Way clear for EEC beef deal

MARKET MANAGERS at the European Commission yesterday authorised a 20 per cent price cut for special sales of beef for export to allow a substantial

eontractw ith the Soviet Union to go ahead.

The agreement is understood to have been tailored for M

The price for the meat-mainly from old stock long in Community intervention stores

Community intervention stores

will be reduced by about a
fifth from the Ecu 1,400 a tonne
floor currently established.

Technically, the option to buy
beef at this rate is open to

presented as a unique oppor-tunity by Commission officials last night. But there are deubts as to how many other contracts might be landed.

Euro-MPs reject chocolate scheme

By Our Commodities Editor

cent, according to Mr R. Wood, a Sheffield hide merchant and a Sheffield hide merchant and chalrman of the Midland Area Sales Association. "That is getting to be a ridiculous situation," he said yesterday. Instead of selling through public auctions, many buyers and seliers are now fixing deals by private treaty, with prices apparently based on those quoted at the euctions. In addition, the three centres have been unable to agree—either between themselves or with buyers—on setting up a single auction centre to reflect tho ment and consumer protection committee adopted, by a substantial margin, a report from a French deputy arguing that the Commission's plan would lower the quality of checolate prod-ducts in Continental Europe, The outcome of yesterday's debate was being closely watched by chocolate manufacturers, particularly in Britain, and by cocoa producing countries, which feer that the Commission proposal would

with Soviets

very thin, so the effects of buying and selling on prices were magnified "in the extreme." LME stocks were only a small fraction of the world annual consumption of

Jean Baptiste Dumeng's Inter-Agra company to complete a 175,000 tonne deal with

other traders if they can find buyers for substantial qualities in excess of 60,000 tonnes. The new sale terms were

EFFORTS TO liberalise trade in chocolate in the EEC suffered a setback yesterday, when a European Parliament committee rejected a proposal from the European Commission for new chocolate standards which would permit manufacturers to use less cocoa in that than at present.
The Parliament's environ-

Ten years ago, 75 per cent of auction centre to reflect the hides sold in England are contraction in business. sharply reduce the amount of cocos consumed in Europe.

COFFEE FUTURES values

coffee Futures values yesterday resumed the decline which they started on Wednesday afternoon, ending the recent raily. The November position, which at one stage on Wednesday reached £1,740 a tonne, ended the day £10.50 down at £1,702.50 a tonne, reflecting a firmer tooe in sterling and the continued absence of significant developments at this week's meeting of the International Coffee Organisation in London. The talks on export quotas for the 1985-86 coffee year, which will continue next week. will continue next week, paused yesterday so that progress so far could be assessed. The cocoa futures market was also easier, in line with the overnight tone in New York, but the decline was contained, dealers said, LME prices supplied by Amalgamated Metal Trading

BASE METALS ALUMINIUM

	close p.n	L1	Highito
Cash 3 months	780-1 748 4	-10 '+12	773 E/725
Bettement	cicerna (bree month 725.8 (73 orb cicse:	11.5).	ash 725- (753.5-4.5

Higherorm	close	1) + or	High/low
Cash 3 months	1029.6-8	0.4	10/0/1090 10/0/1024
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Cathodes Cash e months	1014-6	-2.e	921/991
(998.2, thr	closing (se months 992 (998) 10.325	1,015-6	(1,021-3)

				Nov. † Per
	! Unofficial (closesp.m.) £ per to	-	!	100, 1 / 11
ah months	292-3 300,5-1	;~5 ~4	282/283 :103/207	COCO
965). 4). set Finel k Turnovi	closing (at three montr dement 200.5 arb closu: 2 art 15,900 to ents per po	228. (296. 98-8.5,	5.75 (303- 5).	light eplur lower on the the forwer mutad, with

NICKEL

	Close(p.)		High/low
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(3,336-7), (3,398-400)	Three .	months nem 3.23	3,220-30 3,280-400 0 (3,337).

	£ per t		for day		quiet spe		
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2).	three mont	ha 9,11	3-6 (9,110-	ries before	buyine i trade er luce lower i Yestordy v	oward	iler s
rd	L				Close		Do
	9116-7		5178/8187 8178/3185	Sept.	.1072-1074	~11.0	1687-

| 1761 1784 - 1.0 0 | 172 1782 | 1.0 1 | 172 1782 | 1.0 1 | 175 1783 | 1.0 | 175 1783 | 1.0 | 175 1783 | 1.0 | 175 1784 | 1.0 | 175 1784 | 1.0 | 185 1784 | 1.0 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | 185 | Official closing (emb): Cash 9,168-70 (9,168-60), three months 8,110-1 (9,110-9,111), astriament 8,770 (9,160). Final Kerb closing: 9,110-20, Turnover 1,230 tonnes. Sirelts tie MS30.03 (30.05) a kilo.

g rade	Unofficial close (p.m.) £ per to	_	High low	GRAINS
onths	519-3 517-8	_1 _5	e27/e16	Wheet relied every etail on strong ship buying evaporated in t
5). th	sing (sm): res months 517 (522.5)	520-	515-7 (552- 2 (526-7),	pressure being on trade was quiet, rep
LUOAS	5,900 toni	105.		WHEAT Yesterd'ye + or

GOLD

The metal opened in \$3145, traded between a high of and in how of \$3145_31e, volume was quite light and mainly position equating she day's U.S. third quarter (settliness.	315% and \$317-317% Trading comprised and of to-
GOLD SULLION (fine ounce)	Sept 10

Close	\$5144-517	(£257-9371 ₂)
Opening	\$5144-5164	(£237-2571 ₂)
Mining for	\$316.90	(£236,541,
Aftining for	\$516.50	(£236,539)
OCU	AND PLATIN	UM COINS

Kre'rnd \$591 5914	(P259 1391g)
4 Krug. \$1684-1684	(£1254-1264)
4 Krug. \$854-864	(£664 644)
1/10 Krug. \$35 4 36	ES64 96#1
Manietal \$527 5271s	(22431, 944)
New Sov. \$7514-76	(£66.661a)
14 New Sov \$4514 4614	E34-34 lg)
Old Sov. \$80-814	4260 61/
\$20 Eagle \$460 500	(£34814 5784)
Nobie Plat \$5051, 309	(82 26 H-221)

SILVER

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SILVER per troy	Sullion Fixing Price	+ 01	L.M.I p.m Unoli		-
months. 2 months	468.20p	144.00		7501+0	ь
0.000 BZ.	senths hi				

RUBBER

PHYSICALS—London closing prices (buyers) for RSS No 1: epot 61.25p (61.00p): October 69.75p (68.75p); November 69.75p (68.75p); Kuris Lumour lob price (Malaysis), Kuris Lumour lob price (Malaysis), 109.5pc; chirts) par kg RSS No 1: 164.5 (183.0); SMR 20 163.0 (149.5).

U.S. MARKETS

FINANCIAL TIMES Sep. 15 Sep. 17 Meth ego Yearago 255.72 256.46 202.42 209.36

REUTERS

INDICES

Sap. 19 Sep. 18 M'th ago Year ago 1726.5 1786.6 1698.0 1868.8

Jones 18 17 | ago | ago Spot 111.49 111.80 - .125.26 Fut. 114.05 114.17, - ;125.10 (Baza: Occumber 31 1974 - 100)

MAIN PRICE CHANGES

	METALS	Sept 19 + or 1986 —	Month ago
	Ahrminium	00113	£1200
	Free Mkt	_19006/1015 e	\$ 1055/75
	Conner		
	Cash h Grade.	£1006.50 - 3.6	£1015.25
	e mint	£1029.75 -4 8516.76 +1.75	2536
•	Lood Cost	2292.5 -6	2298,25
	e mthe		£300.75
•	Nickel		
	Free Mkt	198/215c -0	222/242c
	Palladium cz	\$95.00 +0.0	£ 200.70
	Platinum cz		\$03U.20
•	Buickstvert	444.36p.+3.35	449 050
1	6 months	456 55p + e.80	460.85p
	Tin cash	189166.C + 2.0	£9000,0
	e months	29116 :+2.6	29050,6
	Tungsten	_1270.68	872.02
	Wolfram 22.81b		865 70

3 months £517.6 -6 £518.6 Producers 570/660 \$830
DILS
Coconut (Phit) \$450.0x
SEEDS
Soyabean (U.S.) 8217.75 8214.1
Barley Fut. Nov. 12104.84 -0.86 £102.8 Majze £161.80y
Wheat Fut Nov. :2104.98; -0.9512102.5
OTHERS
Cocoa Ft. Dec. 181797.5 -5 £1753.

00004	Cioso + or	Busines
COCOA	£ per tonne	a avorse
Sept	1756-1765 9.5 1797-1798 6.0	, 1786-175
Merah	1894-1826 -1.6	/ 1888-151E
July	1836-1838.—5.0 1838-1940 —10. 1846-1842 —9.0	0 1846-1886 1885-1847
0ec	1840-1845",—13,	5, 1852-1841
(CCO In	337 (2,930) loss of dicator prices [L	10 tonnes.

High eradelUnofficial 1 + or Highliow COFFEE

-	mports Or	exel aum	n tigh hem Li	1 volume
2	e lairy est sion house rise before pushed vel	buyine trade e	luctind nd dec loward	e gredu der sollin solge der s
	COFFEE	Yesterdy's Close	+ 01	Business Done
	Sept.	i		

Seles: 1,831 (3,829) lots of 5 tonnes ICO indicator prices (U.S. sente ICO Indicator prices (U.S. cants per pound) for September 18: Comp daily 1879 179.40 (119.50); 15-day everage 1876 (119.50)



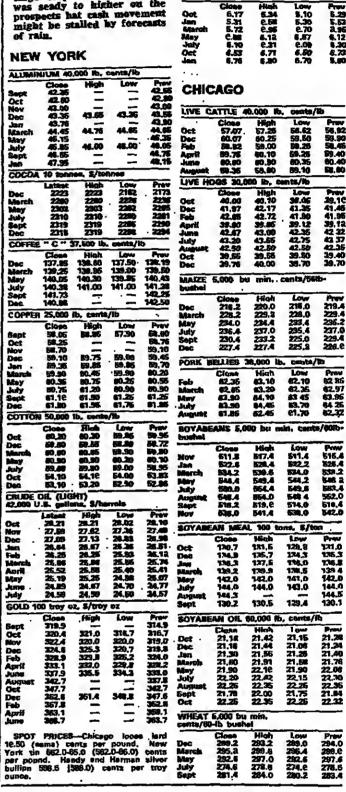
Susines done: Witheat: Sept 105.25-4.55. Nov 105.35-4.85. Jan 106.40-7.30. March 111.50-10.75. May 114.60-4.70. July 118.75. Seles: 259 lots of 100 tonnes. Barley: Sept 103.00-2.75. Nov 104.95-4.80. Jan 106.40-8.15. March 111.30-1.15. May 114.25-4.10. Sales: 219 lots of 100 tonnes. LONDON GRANNS—Wheet: U.S. Oark Northern Spring No 1, 1e per cent. Oct 130.30. Nov 131.76. Oec 132.15. trenshipment East Coest. U.S. Nov 113.25. Oec 114.75. eatlers. EC French lag. Sapt 11e.50. 111. per cent pratein. Sept/Oct 114 quoted. English Feed 10b Sept. 105.00-105.50. Oct 109.50-107.75. 108.00. Nov/Occ 108.00-109.00. Jan/Mar 112.50-113.00. buyers/sellers. Apt/June 11e.25. seller. Metais: U.S. No 2 Nov/Occ 108.00-109.00. Jan/Mar 112.50-113.00. buyers/sellers. Apt/June 112.50-113.00. Sept. 103.00-104.00. English. Sept. 102 bid Sectiond. Oct 105.50-106.00 Peterhead. Nov 106.50. seller. Nov/Dec 103.50-104.00. Seller. Nov/Dec 103.50-109.00. Jan/March 113.00-113.50. buyers/sellers. Apt/June 118.50. seller. Rest 109.00-104.00. English. Sept. 102 bid Sectiond. Oct 105.50-109.00. Jan/March 113.00-113.50. buyers/sellers. Apt/June 118.50. seller. Rest 109.00-104.00. English. Sept. 102 bid Sectiond. Oct 105.50-109.00. Jan/March 113.00-113.50. buyers/sellers. Apt/June 118.50. seller. Rest beginning Nonday. September 23 will remain unchanged.

PIGMEA?—In very light trade futures science nightly on the distant post-one, the dult conditions reflecting the hysical markst, reports CCST Commo-

p. per kilo (deadweight) 716.00 116.80 116.70 103.50 10

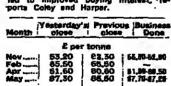
Sales: 23 (186) lets of 50 carcasas, 3.250 kg. MEAT COMMISSION Average Int. stock prices et representative markets.
GE—Cattiu 94.19p per kg lw (~0.38).
GB—Sheep 145.51p per kg est (~0.38).
GB—Sheep 145.51p per kg est (~0.178).
GB—Pigs 82.00p per kg lw (~3.37).
GB—APP 107.27p per kg
dw (+1.05).

PRECIOUS METALS were firm on short-covering reflecting an oversold condition along with position squaring ahead of the flash GNP estimate for the U.S. today. reports Heinold Commodities. Copper and aluminium remained weak on technical considerations and burden some stocks on the LME. Reports that more favourable weather in Europe has improved yields weakened sugar values. Cocoa firmed on reports of East European inquiry and the emergence of manufacturing pricing. Coffee drifted lower on the ICO meeting. Prospects that the U.S. Congress will attempt to restrict texile imports encouraged gains in cotton futures. The energy complex was generally mixed with light support on reports of an Iraqi raid on Kharg island indicting damage. The grain and soyahean complex came under pressure in the defereds and prospects of a large crop while he nearby was seady to higher on the prospects hat tash movement might be stalled by forecasts Close High Low 294.6 301.0 294.6 301.5 303.0 294.6 203.6 305.5 300.0 294.9 304.9 309.0 303.6 307.2 316.0 319.5 314.0 311.8 WORLD



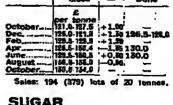
POTATOES

The market auctuated nervously in thin volume, lecking strong direction in the sheence of fresh news. Concern over continued west weather in the North, the forecast of unestiled weather for the South by the weekend and varied yield and quality reports led to improved buying interest, reports Coley and Harper.

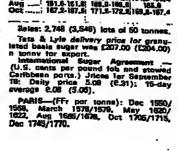


Sales: 195 (708) lots of 40 tonnes. SOYABEAN MEAL

The merket opened unchanged in quiet conditions, reports T. G. Roddick. Prices remained in narrow renges throughout the day.



SUGAR London Delfy Price — Raw nugar \$137.50 (£103.00), up \$4.00 (up £3.00) a tonne for September-October delivery. Whits sugar \$176.00, up \$3.90. The market wan ueable to eustain the overnight gains and the support level of \$155, basis March, was tested and penetrated, reports C, Czamikow.

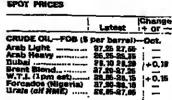


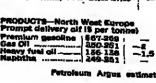
OIL

Crude oil trading rameleed thin with prices stable. Nymex opened Sc up of the particles were unchanged. Gae oil reversed Wednesday's Ermer trend and heavy fuel continued to drift downwards—Patroleum Argus. London.

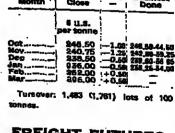
 $C_{ij}(\Omega_{ij})$ >

TH MAR





GAS OIL FUTURES 6 11.5.



FREIGHT FUTURES

1 Close ||High/Low1 Pr

Making a living in a 'dead' market

ancial. Blunt, Ellis and Loewi (BEL) a regional securities, corporate finance and futures brokerage

headquartered in Milwaukee with 73 offices spread throughout the Mid-West, is one such company. It is an enomaly in the business: nearly three-quarters of its business is done in agricultural commodities, and it is profitable. This is in marked contrast

This is in marked contrast to e series of other firms which, in search of greener pastures, have plunged headlong into the financial markets, and thence ioto oblivion, BEL believes that such fast money fads are not conducive to the construction of a solid long-term business. Now a subsdiery of Kemper Financial Services, the New York-based diversified conglomerate, BEL, was founded in 1928, in another era when the 1928, in another era when the spectre of depressed farm in-come was already stalking the fields of U.S. agriculture. Now it boasts sales ranging (CHECK) from \$60m to \$75m a

The profit potential for brokerages serving the agri-cultural futures markets was considered virtually boundless during the inflationary 1970s. believing that these markets hold no promise for future growth, However, according to Mr. Peter Pfeffer, BEL's vice president for commodities, profitchility has merely shrunk within more "reasonable" sure that its personnel are limits. "What you have to remember is that most of that

FOR THE past couple of years, financial contracts bave increasingly looked like the beile of the U.S. futures industry ball, with agricultural markets forced into the role of neglected wallflowers.

But despite tha shift, there are still a few brokerage firms around to prove that all that glisters is not necessarily financial contracts bave increasing. Now, the availability of gramme. Each broker candidate must endure an intensive 13-water fluid is somewhat must endure an intensive 13-water fluid is somewhat must endure an intensive 13-water fluid is somewhat the sender are intensive 13-water fluid is somewhat must endure an intensive 13-water fluid is somewhat the sender are still a few brokerage firms around to prove that all that glisters is not necessarily finances, whatever the amount."

Mr Pfeffer does demlt, though, that BEL'e proportion of agricultural must endure an intensive 13-water than a point of success means the ability to success means the ability to success means the ability to successfully managa one's finances, whatever the amount."

Unlike Refco, Drexel, DLJ and others that pay highly to attract talient from competitors, or to acquire tha firms thember the field. The training costs are taken broker candidate water an intensive 13-water than ability to successfully managa one's finances, whatever the amount."

Unlike Refco, Drexel, DLJ and others that pay highly to attract alient from competitors, or to acquire tha firms thember to dead to 75 per cent from 90 per eent over the mount.

The training programme Each broker candidate is about to successfully managa one's finances, whatever the amount."

Unlike Refco, Drexel, DLJ and others that pay highly to attract talient from competitors, or to acquire the firms thember the finances.

The training programme is a six to 12 and others that pay highly to attract talient from competitors, or to acquire the affirms thember the firms thember th 30 years of age or over, bas a history of economic success, a over the past three years. That, history of economic success, a he-says, was a policy decision sales background and consisin the face of changed market tent record of experience and circumstances. "It'e true that knowledge in the chosen futures

> Coutinuing his series on the U.S. brokerage industry our Chicago correspondent reports on a firm which did not jump on the financial futures bandwagon



U.S. Markets

this doesn't mean that the agriculturals should be cashiered.

There is a market share out have the perspective to underthere, and it wouldn't be wise stand that dessert comes job stand that there and it wouldn't he wise to abandon it," he says. In contrast to the now mori-bund ContiCommodity Services and DLJ Futures, BEL did not Troday few brokerages are and DLJ Futures. BEL did not interested in catering to the jump sblp when the immediate depressed agricultural sector, market winds shifted. What it believing that these markets did instead was allocate more

the financials have increased in area. Mr Pfeffer underlines the volatility and popularity, hut importance of each qualificathis doesn't mean that the agrition: "Those in their early until very recently was getting a college degree, so the ex-perience isn't there. O' course,

there are exceptions." there are exceptions."

The eriteria "sales background" and "economie success "can mean different things,
says Mr Pfeffer. "Sales experience doesn't mean an extensive record of fast-talking,

BEL's management says the problem with today'e firms and the individuals who compose them is that they show more interest in maintaining everincreasing quarterly earnings or furthering immediate per-sonal ambitions than is warran-ted. Instead, BEL fosters a corporate environment which emphasises team work, stresses long-term objectives and places the welfare of the firm ahead of the star player. The result, it claims, is a loyal, skilled and provided the barry and the star player. knowledgeable workforce. "In the shorter run, the latter may not be as materially rewarding. but in the long heul it pays off for all concerned," said

one executive.

commitment and consistency."
Mr Prefer says. "We have a

\$900m backing from Kemper, a solld eore of professional, long service staff and 5 philosophy of providing continued service to our traditional customers.

Eighty of our 500 brokers do most of the business for the

one executive.

The corporate record seems to bear out these beliefe. Since the commodity section was formed in 1973 only six of its support staff bave departed. All of the brokers and specialists hired at that time remain. Financially, BEL's gross operating income and total revenue are up 29.2 per cent and 32.5 per cent respectively from the same period last year, apparently solid growth for a firm maintaining a commitment to what others consider a dead

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

20 1985

FINANCIAL FUTURES

Dollar stalls ahead of GNP

cent and has become such a focal point that other factors assumed a secondary level of importance. Economic statistics released included personal locome, which was much in line with expectations and consumer spending which was a little below market forecasts. The latter may have accounted to some extent for the dollnr's weaker trend in the afternoon. Early trading saw the U.S. unit retreat from opening U.S. unit retreat from opening levels as selling developed in London. The trend was reversed London. The trend was reversed as U.S. centres came in as buyers before slipping away once more. The dollar closed at DM 2.9010 down from n high of DM 2.9240 ond Wednesday's close of DM 2.9030. It was also weaker against the Swiss franc 5t SwFr 2.3830 from SwFr 2.3830 and Y242.00 compared with Y242.10. It was lower against the

The doller was confined to a marrow trading range yesterday in the absence of any incentive to take out fresh positions ahead of today's GNP figures. The U.S. third quarter GNP flash estimate is expected to show a rise of between 3 per cent and has become such a focsi point that other factors assumed.

French franc at FFr 8.8450 from from 2 French franc at FFr 8.8450 from figures, the dollar's exchange rate index was 141.1 from 140.6.

STERLING — Trading range ranges is 1.4230 to 1.9525. August average 1.4230 to 1.9525. Au STERLING — Trading range against the deltar in 1985 is 1.4290 to 1.0525. August average 1.3638. Exchange rate index 81.1 unchanged from Wednesday but np from a morning low of 80.7. The six months aga figure was

and Y324.50 from Y323.50. Against the dollar it rose to \$1.3400-1.3410, up 45 points from Wednesday. The six months ago figure was 74.0.

Sterling remained on the sidelines but recovered from the day'z lows as the dollar retreated it also showed further gains ago.

EMS EUROPEAN CURRENCY UNIT RATES

The dollar finished slightly firmer against the D-mark et DM 2.9125 from DM 2.8967; but remaised confined to a narrow range ahead of today's U.S. third quarter GNP flash estimate. U.S. economic data on personal income and consumption were n closing at DM 3.8875 from DM 3.8775 and SwFr 3.1950 com-pared with SwFr 3.19. It was also little below expectations but the dollar was underpinned as it approached DM 2,9050. Earlier in the day the dollar had been fixed at DM 2,9122 from DM 2,9005 higher against the French franc 6t FFr 11.8575 from FFr 11.8375

> STERLING INDEX Sept 19 Previous . 80.8 80.8 9.30 am 10.00 am 11.00 am 80.7 80.9 80.9 81.0 £ IN NEW YORK

POUND SPOT-FORWARD AGAINST POUND

8.36 1.03-0.90pm
2.57 1.04-0.39pm
5.56 87-5*spm
2.85 51-38pm
2.85 51-38pm
2.75 104-9*spm
1.59 0.63-0.28pm
1.59 0.63-0.28pm
1.15 4-3-0.28pm
1.15 4-11dis
1.15 4-11dis
1.15 87-4*spm
4.20 104-11*dis
4.90 4.07-3.91pm
6.38 431-394pm
6.38 431-394pm
6.38 175-5*spm
11 franc 79.30-79.40

DOLLAR SPOT-FORWARD AGAINST DOLLAR

OTHER CURRENCIES

4			1	£
Sept 19	2	8	i l	Note Rate
istralle Dollar azil Gruzeiro niand Markka reek Drachme ongkong Dollar an Risi iwaltDinar(KD) ixombourgFr	1,9635-1,9676 9,993-10,034 8,1865 8,2060 183,76-187,78 10,4825-10,4826 120,75- 0,4085 0,4096 78,50-78,60	1.4685:1.4700 [7,480-7,506 6.1425-6.1446 138,55:141,25 7.8170 7.8100 80,70* 0.50610-0.58620 58,95-58,86	Austria Beiglum Denmark Franco Germany Laly Metherlands Norway Portugal	27,20.87,5 78,75-78 6 14,03-14,1 11,60-11,8 5,87-3,91 2585-263 322-326 4,35-4,59 11,89-11,4
:wZealand Dir. iudi Arab Riyal igaporo Dollar h African Rapd	8.5380 9 6455 4.6795-4.8845 9.9490-2.9480 3.5525-3.3710 4.9035-4.9090	1,8850 1,8985 5,8535 3,6545 2,2065 2,2085 8,6660 2,8700	Spain	225-235 11,35-11.4 5,181 ₂ -3,21 1,621 ₂ -1,34

Selfing rate; 2.7210-2.7970 (5) and -3.6395-3.7410 [6]

	UKt	1.3255-1.3440	1,3400-1,3410	0.39-0.36c pm	3.36	1.03-0.98pp	9.0
	treland	1.0847-1.0737	1.0710-1.0720	0.20-0.10c pm	1.88	0.55-0.30pm	1.5
	Canada	1,3793-1,3814	1_3793-1_3798	0.07-0.10c dts	0.74	0.31-5.36dls	0.9
	Nethind.	3,2600-3,2865	3,2010-3,2020	0.66-0.63c pre	2.36	2.04-2.01pm	2.4
	Belglum	68.55-59.00	58.55-58.65	2-3c dia		11-13dis	-0.2
	Denmark	10.50%-10.57%		4-4ore dis		3-1dls	0.2
		2.8950-2.9240	2.9005-2.9015	0.92-0.87pf pm		2.79-2.74pm	
	W. Ger.	174-1754	174-175	100-350c dis		450-1200dis	-18.8
	Portugal		172-1724	50-70c dia		175-250dis	4.9
	3 pein	172-1737				21-22 ² -dia	-4.4
	Italy	1,949-1,9601	1,9493-1,9503				
•	Horway	8.472-8.51%	5,48 ¹ ,-8.49	24-Sore dis		P ₄ -Odis	4.1
	França	8.844-8.91	5.84° - 8.80°	0.90-1.05c dls		2.70-3.00dis	
	2wedon	6.52-8.68	8.52-8.5212	57-54 ora din		144-14 dis	-6.7
	Japan	241,50-242.60	241.95-242.05	0.35-0.31y pm		1.18-1.13pm	· 1.9
	Austria	20.27-20.524	20,27-20.32	54-5gro pm	3.15	17-141-pm	3.0
	Switz.	2,3780-2,4015	2.3825-2.3835	0.75-0.70c pm	3.63	2.23-2.18pm	3.6
	+ UK		m quoted in L			premiume e	
	diace	unts apply to	the U.S. dalle	r and not to 1			
				Iranca. Financia			
		- B					
٠							

CURRENCY	MOVE	MENTS	CURRE	NCY	RATE	s
Sept. 18	Bank of England Index	Morgan Guaranty Chango %	Sept. 19	Bank rate %	Special Drawing Rights	Europea: Currenc Unit
Sterling. U.S. dollar. Canadian dollar. Austrian schilling. Belgian franc. Danieh Kroner Deutsche merk Swiss franc Guilder Frencb franc. Lire. Ven.	85.9 115.2 90.5 78.9 124.8 146.9 115.4 66.8 43.8	-8.8 +97.2 -5.3 +4.5 -10.6 -3.4 +8.0 +11.7 +4.4 -14.0 -20.7 +13.9	Sterling U.S.S. Canadian & Anstria Soh. Belgian Fr. Danish Kr. I mark. Guilder. French Fr. Lirz. Yen. Norway Kr. Span'h Pta.	712 9.27 4 012 7 4 1012 1010 1010	20.8178 59,8879 10,7295 8,26034 5,32964 9,03085	0,76479 1,0568 15,647 45,004 8,0685 2,2386 2,5047 0,7952 1496,5 185,424
Morgee Guerenty		averago	Swedish K Swiss Fr	1012	8,58056 2,43225	1.8307

EXCHANGE CROSS RATES

			* - *							
¥ Sept. 19	Pound Still	g V.S. Dollar	Deutschemk.	J'panese Yon	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Fran
Pound Sterling	0.746	100 1.341	3.888 8.001	524.5. 248.0	11.86 8.845	5.195 2,383	4.373 3.262	2614. 1950.	1,845	78,55 56,50
Japanese Yen 1,000	-8.082	4,181	11.98	25.47 1000	3.080 36,54	8,640	1.125 13.47	672.4 8055	0.475 0.587	20.21 242,1
French Franc 30 2 10 Swise Franc	0,543	0.480	5,279 1,817	275.7 101.5	10, 3,711	2.694. 1.	5,888 1,562	818,2 2205	1,556. 0,578	66.24 24.59
Dutch Guilder Italian Lira 1,000	0.229 0.383	0.307 0.513	0,889 1,487	74,91 134,1	2.718 4.566	0.731 1_828	1. 1.078	597.8 1000,	0.488 0.706	17.96 80.05
Canadian Dollar Beiglen Franc 100	0,849	0.725	2.107 4.949	175.8 415.1	5,425 15,10	1.731 4.067	2,569 8,567	1416, 3328,	2,349	42,57 100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Sept 19	Sterling	U.S. Dollar	Denadian Dollar	Dutch Duilder	Swiss	D-mark	French	Italian Lira	Selgia. Conv.	n Franci Fin.	Yen	Danish Krone
Short term	113q·115q 113q 115q 113c·113c 113c·113c 113c·113c 113c·113c	754 778 718 8 816-816 816 816 812 869 818-8	778-846 814-816 864-875 9 814 036-856 978-1016	55g 53g 55g 53g 51g 51g 51g 51g 63g 57g 51g 51g	1 le 15; 1 le-1 le 4 le-45; 4 le-47; 4 le-47; 4 le-47;	414.489 458 419 458 419	914-856 014-256 056-012 85 914 105-1076 1076-1118	18-14 1914-1534 12-15 1012-15 1876-1646 1512-14	9-814 834-9 834-9 8 914 954-958 912-934	9 914 834.9 854.0 916-948 214-954 958-978	6.2-665 678-7 114-654 636-634 636-634 636-634	919-10 819-10 814-914 854 814 878-985 914-934

Asien \$ (closing rotes in Singapore): Short-term $7^{13}_{21}.7^{23}_{22}$ per cent; seven days 7^{1}_{2} 5 per cest; one month $8^{1}_{21}.8^{1}_{22}$ per cent; three months $8^{1}_{21}.8^{1}_{22}$ per cent; one years $10^{1}_{21}.0^{1}_{22}$ per cent; three years $10^{1}_{21}.0^{1}_{22}$ per cent; four years $10^{1}_{21}.0^{1}_{22}$ per cent; three years $10^{1}_{21}.0^{1}_{22}$ per cent; four years $10^{1}_{21}.0^{1}_{22}.0^{1}_{22}$ per cent; four years $10^{1}_{21}.0^{1}_{22}.0^$

MONEY MARKETS

French interest rates cut

cent, the sixth cut since the beginning of the year, when the raic was 10½ per cent, and the cleventh since May 9 1984, when it was 12 per cent. The last cut was nlso by ½ per cent on July 18. Call money fell by ½ per cent to 9½ per cent yesterday, the Inwest level since July 20 1979. These moves are seen as encouragement by the French Government to reduce interest raies, in line with the decline in the raic of Inflation, which fell to 5.6 per cent in August from 6.1 per cent in July and 6.7 per cent of the end of last year. The creen stability of the franc, ofter 5 period of nervousness following the devaluation of the ofter 5 period of nervousness inflowing the devaluation of the lira in July, is probably o contributing factor to the lowering of rates. Call money has so far fallen from 111 per cent at the beginning of the year, when

FT LONDON INTERBANK FIXING

(11.00 a.m. Sept. 19) 3 months U.S. dollarn

The fising rates ers the arithmetic masno, rounded to the nearest one exteenth, of the bid end offered mane but \$50m outled by the market to five retarence banks at \$1 e.m. each working day. The banks are National Westmaster Back, Bank of Tokyo, Deutsche Bank, Bengue Nationale de Pairs and Morgan Guaranty Trust,

Sant. 10

MONEY RATES

In Paris a cut in the Bank of France money market intervention rets, and a reduction in the rate of call money fixed by the major French banks, led to speculation that a cut in bank hase rates may be imminent. The intervention rate was roduced by the per cent to 9 per cent to 9 per cent to 9 per cent banks base lending rate 11 per cent since July 30.

The Bank of England forecast rates were at 12 per cent. The bank cut hase rates were at 12 per cent. The bank cut hase rates money market intervention in the afternoon. Total help provided figure afternoon. Total help provided was f655m.

Before lunch the authorities bought f187m bank bills outright, by way of £5m bills in band 1 (np to 14 days maturity) at 11½ per cent; f14m bills in band 2 (15-33 days) at 11½ per cent; f14m bills in band 3 (34-63 days) at 11½ per cent; f14m bills in band 3 (34-63 days) at 11½ per cent; f14m bills in band 3 (34-63 days) at 11½ per cent; f14m bills in band 3 (34-63 days) at 11½ per cent; f14m bills in band 3 (34-63 days) at 11½ per cent; f14m bills in band 4 (64-61 days) at 11½ per cent. In the afternoon another £55m to liquidity.

8.51575 6.53125

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates Sterling Certificate of daposit 115g 115g 115g 115g 114-114 114-114-114-111-

114-114 114-114 114-114 114-114 114-114 114-114 114-114 114-114 114-114 114-114 114-114 114-114 114-114 114-114 1114-1114 1114 1115 1114 114-1114-11 6 0-8.1 8.05-8.15 8 1-8 5 8.5-8.4 8.6-8.7 8.76 8.85 12.1154 1136-1118 114-11

ECGD Fixed Finence IV: Average mits of interest period August 7 to September 3 (inclusive): 11.574 per cent. Local authority and fissace bouses saven days' notice, other seven days' fixed. Fissace Houses Base Rate (published by the Fisence Houses Association): 12 per cent from September 1, 1985, London and Scottish Clearing Bank Rates for lending 11½ per cent. Back Deposit Rates for sums at seven days' notice 6.25-5.625 per cent last). Trassury Bille: Average moder rate of discount 11.0911 per cent. Cardificates of Tax Deposits (Serice 6): Copposite \$100.000 and over hald usder one month 11½ per cent; one-three months 11½ per cent; three-six months 11½ per cent; six-nins months 11½ per cent inter-12 months 11½ per cent, under £100.000 10½ per cent from 11½ per cent inter-12 months 11½ per cent. Under £100.000 10½ per cent from 11½ per cent. The rate for six deposits withdrawn for cesh 7½ per cent.

114 113 113 114 115 116 113-113-114-114 116 106-104 105 115 112 谜 MONEY RATES NEW YORK (Lunchtime) Treasury Bills

Late recovery

finished around the day's highs on the London international Financial Futures Exchange yesterday, but were weaker, or ittle changed on the day. Expectations of a large rise in weekly U.S. M1 money supply, of up to \$4bn, depressed Eurodollar and Treasury bond futures initially. Both centracts met with buying demand in the afternoon bow-ever, on profit taking. The market was nervous ahead of today's announcement of third quarter Gross National Product and the revised second quarter GNP figure, with traders reluc-tant to take out new positions. Yesterday's U.S. statistics were in line with expectations, with personal consumption rising by 1.2 per cent, boosted by high car sales due to dealer incentives, while personal income rose by 0.3 per cent. Third quarter GNP

Close High Low Prev 50.00 83.00 88.94 89.04 th 89.14 89.35 89.29 89.35 89.35 89.45 89.38 89.39 89.43 89.45 89.38 89.44 89.44 89.44 89.44 89.40 volume 2,118 (2,237) tous day's open int 6,971 (6,141) lent price of near
--- to +4 (32nds)

Close High Low Prev 97-35 97-40 97-35 97-41 67-51 — 97-58 me 691 [847]

frish Punt ... 1312, 0,982253 0,716435 Dec 0.4225 0.4207 0.4207 0.4237
March 0.4265 0.4245 0.4246 0.4278
Est volume 35 (47)
Previous day's open int 249 (241)

is generally forecast to increase by 34 per cent, but dealers are reluctant to place too much reliability on flash estimates, and will also watch carefully the

tracts were dull, with December long gilt futures very steedy throughout. Three-month sterling deposits for December closed at the day's high

FT-SE 100 INDEX £25 per full index U.S. TREASURY BONDE 5% \$100,000 32nds of 100% Sept 76-08 76-07 7 CHICAGO U.5. TREASURY BONDS (CST) 8% 5100,000 32mm of 100%

Close High Low Prev 0.3472 0.3468 0.3461 0.3482 0.3506 0.3495 0.3495 0.3515 volume 40 (76) lous day'e open int 386 (403)

STERLING (IMM) Se per E

High Low 75-06 76-00 74-13 74-12 76-09 72-24

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⊮€ OPTIONS REPORT

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Louisa Powell of LIFFE on \$1-623 0444 LIFTE, ROYAL EXCHANGE, LONDON EC3V 3PJ

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WORLD VALUE OF THE DOLLAR

BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

against various currencies as of Wednesday, September 18, 1785. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwice indicated, All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are Bank of America, Economics Dept., E.M.E.A. London Eurodollar Libor as of September 18 at 11.00 a.m. 3 months: 8‡ 6 months: 8‡

indicative. They are not based on, and are not intended to

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	POLLAR	COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	I VALUE OF DOLLAR
A forbaciety o	A forbani (a)	50,60	Grenade	E Coethann C	2.70	Paraguay,	I Comment to a 1	240.00
Afghanistan Albania Algerie	- Lak	7,8741	Guadaloune	Econo	8,8625	Paraguay,	Guernal (de	827.50
Algeria	Dinar	4.8996	Guadaloupe	U.S. S	1.00	Portl	Red (a) (2)	18945
Albania	Fr. Franc	6.8625		. (Quetzal (n)	1.00	Philippines	Peso	18.62
Andorra	Sp. Pesets	178.64	Gı atemala	Quetzal (b. 8	3.81	Pitcaim Is.	N.Z. Dollar	1.8957
Angola	. Kwanza	29,918			3.81 147,583	Poland	Zioty (o) (3)	153.05
Antique	E. Caribbean \$	2.70 0.801	Guinea Resau	Syll	24.9768	Portugal	Escudo	174.50
Argentina	- Austral (8)	. 0.801	Guyana	Dollar	4.12	Puortofico	U.S. dotter	. 1.00
Australia	- Dollar	1.4671	Haiti	Gourde	2.00	Reusion, II do la	Riyat	3.641 8.8625
AUSTIB	- Schilling	20,486	Honduras Rop	Lempira	2.00	Rousion, II do la	Fr. Franc	8.8625
AZOTES	- Port, Escudo	174,50	Mana Mana	Few brus (cr)	2.56 7.817	Romania	ren (ol	4.21
Dalita Hazara	- DOIGET	0.3769	Hungary	Dottar	49.822	Rwenda,	Fen ICI	19.42
Bahrain Balearic Is Bangladesh	Sn Posets	172 64	Indiana.	POPINE			rrano	101.01
Rapoladesh	Teka	172,64 89,96	loeland	Krona	48.51	St. Christopher	E. Caribbbaan S	8.70
Barbados	Dollar	2,0113	India	gabeel10)	12.30	St. Lucia	Pound*	1.5555
	Francic)	58.71	Indonesia	Rupian	2124.00	St. Lucia	E. Caribbean 5	9.70
Belgium	Franc (f)	59,07	1780 special section 1	HOBI (O)	90,7725	St. Plerre	Fr. Franc	B.8626
BelizeBealn	Dollar	2,00	iraqiran Ropisraelitalyivory Coast	Dingr	1.0704	St. Vincent	E. Caribean \$	9.70
Beats	C.F.A. Franc	443,185	ternel	Shokel MM	1485.00	Samoa (Western) Samoa (Am.) San Marino	Tala	0,2232
Bermuria	_ Dolfar	1.00	Italy	Lice (11)	1947.37	Semos IAM.)	U.S. 8	1.00
Rhiston	Ind. Rupes	. 12,30	bory Coast	C.F.A. France	443,125	Sao Tomo &	IL DIS	1947,37
Bolivia	Peso (o)	75000.	110-7 00-00-1	04 64 1 121-0	71-10-0	Principe DR	Dobra.	44.5019
DUNYIE	Peso (f)	1100000,	Jamaica	College (c) (5)	8.75			
Botswana	. Pula (b)	2.0305 7540.00	Tobas	Yes	242,05	Saudi Arabia	Riyari (7)	6.06
Brazil	, Cruzeiro (o)	0,278	Jorden	Diner	0.5813	Sens gal	C.F.A. Franc	443.185
Brupel	. DOUBLE	1.018	Kampuchen	Riei		Saudi Arabia	Rupee	7.1148
BOIGATA	CEA Empo	443.125	Kenya	Shii6ng	15.8817	Sierra Leone	Leono	1.00
Burkens Past.	Kost Plano	B,3677	Kiribati	Aust. Dollar	1.4671	Singapore	Dollar	8.978
Per Herman	Franc	120,669	Korea (Nth)	Won	0.94	Compil Box	Oblideo	1,554 36.60
Cameroun Br	C.F.A. Franc	1 443,125	Korea* (Sth)	Won	891.90 0.8067	South Africa	Band	0.4758
Carrada	Dollar	1,5788	Kuwait	ninar	0.8067	Spain	Pecete	172.64
Botswana Brazil Brazil Brunel Bolgaria Bolgaria Bolgaria Borrica Burrina Burrina Burrina Burrina Cameda Canary is Cape Verde is Cayman is Cen, Africa Rep. Chica Chica	. Sp. Peseta	179.64 89,2698	Jamaica Japan Jordan Jordan Kemya Kemya Kenya Korea (Nth) Korea (Nth) Korea (Sth) Korea Lobanon Lasotho Liberia Libya Liotrenstein Luxembourg Macao Madagascar D.R. Madiyels Maliyels Mali Rp.	Kip	35.00	Do do la di h	. 0004	
Cape Verde is	, Escudo	, 89,2698	Lebanon	Pound Maleti	10.10 2.4753	Span Ports In H.	Sp. Peseta	· 172.64
Cayman is	_ Dollar _	0.836	1 There	Doller	1.00	Span Ports la H.) Africa Sri Lanka Sudan Rep	Burne	97.37
Gen. Africa Rep	. C.F.A. Franc	. 445,125 445,125	Libva	Diner	0.2261	Sudan Sen	Pound	2.60
Chad	, C.F.A. PIENC	178.129	Liechtenstein	Sw. Franc	2.3902	Surinam	Guilder	1,785
Chile	Peso Iol (V)	178.20 2,9741	Luxembourg	Lux. Franc	59.71 6.1256	Swazilead	Lilancesi	2,4765
Colombia	Been (6)	138,50	Macao	Pataca	6.1268	Sweden	Krona	8,5295
Comores	C.F.A. France	443,125	Madagascar D.R	Franc	609,081	Switzerland	Franc	2.5903
Conno Pole Rep. of	C.F.A. Franc	445,125	Madeira	Port. Escudo	174.50 1.8852	Sweden Switzerland Syria.	Pound (0)	5.925
Chile Citina	Colon	61,70	Malawi	Kwacha	1.6882		Dallas (a)	1
Cops	. Peso	0.9311	Malaysia.	Mubblis	2.4985 7.00	TaiwanTanzanie	DOUBLE (6)	40,36 17,25
Cyprus	. Pound*	1,6625	Mandre III.	C E A France	445.125	The Hend	Be be	27.25
		- 5.70	Majo	1 Ires	0.1705	Toon Dec	G.F.A. France	448.125
Denmark	, Krone	10,5185	Martinique	Ereno	6.8626	Togo Rep.	Pa'ence	1.4671
Dibouti Rp. of		271.422 2.70 1.00	Maita	Cupuive	76,91	Tonga is	Dollar	2,409
Dominica Domin, Rep	E. Caribbean P	1 7.00	Mauritius	Rupee	i 16.39	Turkey	Dinar	0.659
Domin, Rep	Peso (d)	2,00	Mexico	Peso (d) (12)	1 382.50	Turkey	Lira	565,77
			Mex.pe	Peso (e) (13)	298.90	Turks & Calcos	u.s. \$	1,00
Equador	\ Sucre (d)	109.25	Miquelon	Fr. Franc	8.8625	Tyvalu	Aust, Dollar	1,4671
	Sucre (1)	85,75	Monaco	Fr. Franc	8.8625			
	Pound	. 0,83	Mongolia	Tugnk IO)	6,3555 2,70	Uganda		695.20
Egypt	Pound (a)	1,53	asonuserrat	E Caribbean P	4.70	United Arab Emir.	Dirham	3.076
El Salvador	! Colon	2.50	Maraaa	Wirham	1040	United Kingdom Uraguay USSR	Pound Sterling*	1.555e
EI OMANIEU "	· Colon (d)	5,50	Morocco Mozembique	Metica	1 10.40 43.056	Uraguay	Peso Im)	102.63
Eq" I Dulnes	C.F.A. Franc (4)	445,195	Namible	S. A. Rend	2,4753	USSR	Roublo	0,809
Ethiopia	Bir (0)	9.0772 10.0165	110,1110				20-0	108.18
PACTOC 15	Dan, Krone	1,3535	N l-	Auch Beller	1.4671	Vanuatu Vatican	Varu	1947,57
Parking 15	Poline"	1.1469	Hanni D	Purses	18.50	Agrican	LIZ	
Figiend	Merkka	0.1385	Netherlands	Guilder	3,268		Bolivar (g)	7.50
France	Franc		Naura is	Duilder	1.80	Venezuela	Bolivar (g) (1)	4.50
Fr City to Af	C.F.A. Franc	445,125	New Zealand	Dollar	1.8957	1	Bolivar (0)	14.40
Fr. Guiana	Franc	· 8,8685	***	Cordoba	10.00	Vietnam	Dong	98.3451
To Pace is	C.F.P. France	161,136		Corabba(a)	. 325.00	Virgin is, British	U.S. S	1,00
Jabon	C.F.A. France	445 125			445.125	Vietnam Virgin is, British Virgin is, 11,8,	u.s. 6	1,00
Sambie	Delasi	3,7495 2,908	Nigeria	Maira	0.9133	Yemen		7.50
Fr. Guiana Fr. Pac, is Jabon Jambie	Ostmark (o)	2,908	Norway	Krone	8,4875	Yemen PDR	ruill Diane	7.50 0.343
		2,908	Omen Sultanate of		0,3456	Yugoslavia	Direct	227.81
hana	Cedi (14)	57.00		—	,			
Ziften ffar	Pound*	1.3835	Pekisten	KUDSS	16,2078	Zaire Besublis	フェン・	52 9 85

n.a. Not available. (m) Market rate. *U.S. dollam per National Curmacy unit. 1e) Fraemerket central bank. 1o) Official rate. 1b) Freemerket interbenk. (c) Commercial rate. 1d) Fraemerket. 1a) Controlled. 1f) Fraencial rate. (g) Preferential rates. 1h) Non-essential imports. (l) Floating tourist rate, (f) Venezuelle: For debts incurred prior to February 1983. 12) Pem. August 2: Official mite devaluation of approximately 12 per cent. (3) Poland. June 1: Official devaluation of 13.2 per cent. (d) Equatorial Guinea. Occamber 31: Currency joint Frame some. 15) Jameica, November 9: Rate adjustment fixed by Central Back bi-weekly suction. (6) Botzswane. August 4: Palls revelued by 3 per cent against a backto of currencies. (7) Sets adjustment for Official devaluation of 1.1 per cent. (8) Argantias, June 15: New currency Introduced—1 Austral equals 1,000 Pasos. 19) Chila, June 29: Difficial devaluation of 7.5 per cent. 110) Iered. July 1: Difficial devaluation of 1.5 per cent. (11) Italy, July 21: Official devaluation of 9 per cent with the EMS. (12) Mexico, July 11: New free mite introduced to replace old free mite. (13) Mexico, July 24: Controlled paso mits devalued by 18.7 per cent. (14) Gases, August 12: Cedi devalued by approximately 7 per cent. For further information please contact your local breach of the Back of America.

38			Financial Times Friday September 20 1985
DAHCHI	AMERICANS—Cont. 3965 Price + or Giv Yn High Law Stock £ Grass Cive Gr	LONDON SHARE SERVICE	FUC:NFFBING_Continued HOTELS—Continued
EUROPE LIMITED	227, 10% Amer Medical Int 51 167-30 724 31 20% 14% American 7 & 7.51 157: 31.20 56 779; 62% American 51	BUILDING, TIMBER, ROADS Cent. ORAPERY & STORES CONT.	36 17 Do Peri Dec 37 -1 94 33 161 119 Traspose Force 199 -1 10 101.7 17 10.0 11 29 13 440 120 220 220 220 220 220 220 220 220 22
Durrant House, 8-13, Chiswell Street, London ECLY 4TO	189;496# Garkamenca61.1 189;44# 80c 5.5 60°; 46 Barker, H.V. 510 46°;20°-14; 92.70° - 4.1 12°; 530# BASIX Coro. 533##+10; 12°; 16 80°; 61°;86# Attanto: 51 11°; 46°;44# 56.80° 7.3	1985 + or 160 Ytal 1985 1985 + or 160 Ytal 1985 1985 + or 1985 +	pg 200 100 Bater Perkry 50s 200 46.75 26 48 10.9 1124 92 AGA 40 825
Telephone: 01 588 4972 Telex: 883336 ICH1LD	344 28 Bettiough 51 291 154	102 66 Barriat Der 100 302 +2 762 11 10.7 123 97 50 Peter Stores 100 70 102.0 1 138 111 Bellinon 2 128 70 20 82 82 82 83 128 100 Precty (Mirco) 122 387 14 4 9 17 63 Berkard M. 100 3 4548 3.75 9.7 82 194 142 126 Perchy (Mirco) 138 118 31 19	10.8 26 15 Berian (D.F.) 50 28 L25 31 7.4 5.3 66 10 800c; 86 82.5 23 36 15.7 9.7 80 Bernard Qualitys 831 52.5 25 55.7 10.5 94 4800c; rest 100 99 82.5 23 36 15.7 9.1
BRITISH FUNDS 3985 Price + or Yield	396 29-600 ton 1.25 336 - 4 52.20 4.0 25 17-605 ton 0.551.00 18 +4 52.20 4.0 104 13 Califed les \$1.00 13 13 14 35 1.7	50 1 20 Bestina 20p 43 43 11 16 170 1121 204 46 America 10p 10 150 Bestina 20p 17 18 18 18 18 18 18 18 18 18 18 18 18 18	10, 5 Sealor Wire 10 - 120 10.8 143 115 Amer with 10 - 120 10 10.8 140 85 Amer with 10 - 120 10 10.8 140 85 Amer with 10 - 120 10 10 10 10 10 10 10 10 10 10 10 10 10
"Shorts" (Lives up to Five Years) 10121 99, Each 124ac (985	QQS 551s General Corn. 25:	130 130 130 130 131 131 132 132 133 133 133 134	2 35 24 Security-rive less 5p. 22 10 31 45 (8.0) 370 86 Apprendict 4 P 110 300 94.77 27 27 27 27 27 27 27 2
100 971-Each 101-act 86 94 11055 12 10 1013 971-Each 101-act 1906 10079 11:57 10:57	424 30 (Catchy 94	54 10 Catheria Roadstone 780 1017 30 1.8 4 25 25 25 25 25 25 25 25 25 25 25 25 25	3.2 297 135 Baltospi 20s 218 +3 171 25 47 12.3 215 140 top specimentary 342 at 16 25 25 25 25 25 25 25 25 25 25 25 25 25
104 101 We set. 134 set 1987 1074 1288 10.79 9919 96-97 10.33 10.78 9219 96-97 10.33 10.78 9210 96-98 10.79 100 96-98 10.79 10.77 99-98 10.79 100 10-98 10.79 10.77 99-98 10.79 10.79	29th 76s **Cornecte Batz Scote 76s 364 284 Crown Zell \$5 28sb \$1.00 - 2.6 441 11 Cutilizer Star \$0.1 1212 + 1	466 1334 Contant Group 462/01-2 115.01 29 40 8.3 90 58 Secretory (10 73 47 22 23 43 308 204 Constraint Props 3 366 46 45 59 58 23 70 88 65 Sainting Group 206 88 42 1.65 63 17 1.06 84 Constraint Constrai	23 (80 180 Certampir it 100 - 168
99.1 951-77-een 10st 1987. 98.4 10.13 10.77 99.1 98.4 7-een 10st 1987. 92.1 12.2 8.60 10211 99.4 7-een 12st 1981. 102. 11.76 1085 99.1 99.2 7-een 7 tot 1985-80 94. 18.2 10.55 99.1 99.4 10.5 10.5 10.5 10.5 10.5 10.5 10.5 10.5	67 22-0 tata General 27-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	62 47 Danglas (Rote M) _ 58	79 122 61 Activities Sett 506 22 75 8.9 87 60 88TEC 75 13.40 29 9.7 9 540 400 Color (A) 266 470 10.8 3.7 3.3 (9.0) 312 248 BDC Gross 279 279 17.3 1.3 9 (9.1) 75 60 Concentratio 65 +1 (3.48 15 76 10.7 (22) 178 Devect 2001 06 £197 -1 079-232.446 179 6 52 (26) (10) 10.8 120 22 2 2 2 2 3 4 6.0 0 307 27 30 317 38 4 6.0 0 10.5 27 6 18.9 18.5 27 6 18.9
97[1] 93[4] respect to 788 / 97[4] 2 10.01 10 35 55 50 (respect to 788 / 86[4] 1 3.48 0.69 655 65 65 65 65 65 65 65 65 65 65 65 65	20t 1245 Pt. Group \$0.01 18 163.08 175 740 4210 751 Corpa Amer \$0c 422p 111 1 2 2 234 15 First Change \$5 1444 5 132 5 170 1145 100 126 126 1145 100 126	10 41 Principate Houses 50 48 17.01.27 0.9 5.9 38 19 19 19 19 19 19 19 1	22) 11 Cooper ion 100 391
964 90 1 1 1 2 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2	17	200 204 50keon MAT 10p 204 14,95 4,3 29 11.4 75 45 Massalt W 2) 48 10 50 3.0 111 89 MAT Group 10p 49 -1 3.71 2.71 5.3 103 148 97 Wigsterful May Sup. 485 -1 122 -1 125 0.6 3.0 54 30 Medical Sar 22 -1 495 2771; Wigsterful May Sup. 485 -1.5 m2.75 3.5 2.4 1 303 225 Medical Sar 208 225 Medical Sar 208 225 Medical Sar 226	5.1 127 82 Derry Corp
105% 1034(Text 15c 1490tt 1071) 1-1 : 12.06 10 66 1011 464(Each 11c 1490tt 1080) 1-1 10.09 10 64 1004(Each 1240tt 1080) 1-1 10.09 10 10.09	25 17-jCt. Western Fig. S1 17-jH-1 88d 3.6 27-j 17-jH-1 17-jH-1 18-jH-1 17-jH-1 18-jH-1 18-jH-	137 (1)2 '00 10cts 03-08 E132 010% 17.6 ELECTRICALS 151 112 Veryword Wilson 136 13 1060 22 37 8.0 538 220 40 Decrook 255 - 3 160 35 36 48 20 4995 8.1 12 3 31 43 9 65 37 A 5 6 Sec Decrook 43 - 1 12 44 40 52 31 40 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	168 109 (Edito (Hidgs)
1014 9147 ress 10ects 1990 9544 10.33 10.84 1055 9747 ress 11 to 1990 9554 11.33 10.82 874 80 from 54ec 87-912 554 679 922	32 27 (10) Interest Corpus 51.25 759 1 54.00 3 33 32 27 (10) Interest 241 241 1 51.44 4 3 37 2 27 (17) Corpus 51	330 265 Marries (13) 280ml (10): 17.5 0.9 26 18 48mm Dect Comp 5m. 25 +2 10.87 28 54 135 22 Manphor 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25 18 18 25	3.9 (3) 21 Professor 56
1114: 1014-7ress 12:4cc 1992;:	47\(\psi\) 35\(\psi\) 50\(\psi\) 31\(\psi\) 32\(\psi\) 32\(\psi\) 32\(\psi\) 32\(\psi\) 32\(\psi\) 32\(\psi\) 32\(\psi\) 32\(\psi\) 35\(\psi\) 35\	383 47 Laing Lobin 223 4 16.0 55 3.1 18.0 47 32 instructor's 'N' 50.1 34 065 36 27 1 201 255 Linians (L.) (C.) 200 45 15.25 3.1 (6.8 15.3 7 30 linke term (N' 1.) (1.) (1.) (1.) (1.) (1.) (1.) (1.)	10 243 190 (GKN 11 - 237 +3 *110.5 22 *6.5 32.9) 147 12 *190 (Gandet-Pern,
111 \ 101\ 778.8 12\ 96 1993t;	34; 27; Louisma Laos 10.15 - 24(-1-) \$2.00 - 1.30 (27) [14] Louis-150 () [14] Louis-150 () [15] Louis-150 (72 59	26 300 Hander Stateley 903 +4 11.8 3.1 4.3 8.5 220 167 8005 221 1.6 80
1144 1064 Each 13-5c 1994	1626	160 104 Magnet & Southerns 138 4.7 2.0 4.9 162 161 104 Magnet & Francisco 109 162 20 4.8 1 104 Magnet 161 161 162 163 16	51 101, 7 Howard Machy
983. 894 Each 104cc 1995	160 12 (Patrite Gas & Gres S5) 354 4 53.72 193 689 51 (Patrite Telesis S0.10) 58 4 4 53.00 173 304 25 (Patrite Telesis S0.10) 274 4 5 60 111 60 274 (Petroni 834 cm. 344 4 5 22 4 4 4 5 4 4 4 5 4 4 4 5 4 4 4 5 4 4 4 5 4 4 4 5 4 4 4 4 5 4 4 4 4 5 4 4 4 4 5 4	150 112 Marier Iva 137	5.8 196 141 Larer Group 182 d+1 5.5 3.6 4.3 7.5 288 223 98 rit. Stordstack 280 1 8.0 4.1 4 0.9 4.1 4 0.9 4.1 4 1.2
1204 1104 Eack 134cs 1996tt 2206 11.05 10.76 17.7 68-96 dempton 3rt 1986 96 75% of 3.95 60 1103 1084	Style="list-style-styl	765 600 Perce (C.H.) 750 1 11.01 5.4 2.7 (11.3 307 1.105 (CASE Group 200 1.45 1.35 7.8 1.3 1 142 Percentagium Bris 1.40 1.40 1.40 1.40 1.40 1.40 1.40 1.40	21 (28) 20) 60 ft 26
1324 227-Each 15p: 1997	31 25-25-36 Co. 22 23 25-25 25 25 25 25 25 25 25 25 25 25 25 25 2	120 95 Persumen 100 119 of 1947.5 15 5.7 1.8 6.6 25 14.0 1.7 1.8	22 152 112 McKechne Bras
1164 103 Each 124ct 1999. 1164 11.03 10.69	99-3 SulySevery Corps 90.50 38.5 et 35.0 13.0	DOS	- 21 9 Neggrand Mast 0180 0.9 148 37 27 Capara leat 29 165 13 81 104 - 150 118 Neg Chines) 250 1747 27 45 92 114 95 0a 8pc Cer 101 84% 11 9 00 99 79 Negrana-Zooks 83 L F5.0 16 93 86 182 96 0a 8pc Cer 111 20 00 00 00 00 00 00 00 00 00 00 00 00
Over Fifteen Years 1252/ 1154/Tress 16c '90.01	26 1 20 Tracor \$0.30;	176 134 136 136 136 137 138 138 139 130 139 131	7.8 (237 102 Pener Chail 200 235
1014 22/Comerson 10sc 2002	344 18://Tonsord Corp 35 28:4-1 31.00 1.0 22:4/19.29:4/19.00 16:5 22:4-1 31.00 1.0 22:4-1 31.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.00 1.0 22:4-1 51.0 22:4-1	332 1-22 188.0 23 1-22 188.0 28 35 138 177 138 1-007 Group 50. 234 -2 1.07 28 10-7 117 138 1-2 1.07 28 10-7 117 138 1-2 1.07 28 10-7 117 138 10-7 11	3 145 103 Resoluts (6.8.1
51% 46% Fineting 3/pc 94-04	CANADIAMS. 19th 151-84 Montreel 141 \$1.96 - 6.5 981s 694 Bt. Nora Son 8 7059 +11 h68c - 5.2 105s 68s with rick Res Corp. 900 -5 - 5	345 1200 Terral Core	3 27 18 Right'st West 506
1394 177-1768 13-96 0-08	224 528 54 144 77 in 145 velow Valleys 200 - 17 200 - 13 244 144 stresses 200 - 17 51.60 - 50	63 27 Netro Stone Dia 57 422 1.7 53 16.0 20 138 Debies 50 148 2.4.41 2.3 11 172 137 Netro Stone Dia 57 422 1.7 53 16.0 20 138 Debies 50 148 2.4.41 2.3 11 172 137 Netro Stane Dia 144 450 2.5 7.8 7.2 335 255 Electroms 100 310 529 31 24 11 174 136 1326 Natural Balos, 100 134 4-3 16.5 57 5.2 4.5 179 93 LEFT Hand Mark Hand Stane Diagram 2.7 21 3.7 15	29 29 29 Cont. Senter Forg 10p. 291 1. 1.5 1.2 7.3 15.2 29 20 Cont. Senter 10p. 27 1. 1.73 - 9.3 - 9.3 250 202 Senter Forg - 202 - 2 1 8.0 2.3 5.7 7.8 385 230 Cookson 50p
401, 371, Cornets 4pc		208 172 Param Stake 208 11 94.08 31 29 16.2 52 40 Effections Renais, 41 329 10 11.31; 78 64 Western Store 27 1 10 3.7 20 14.8 283 139 Emest Lightan 254 1 55 2.4 31; 46. 27 Western Store 100 20 1 5 2.0 2.0 2.0 12 5 28 372 Western Store 100 20 4.5 6 2.1 (4. 27 3.4 2.1 3.1 3.1 3.1 3.1 3.1 3.1 3.1 3	1.3 172 130 Speece & Jackson
index-ringer (1) (2)	562n 312u Golden Script+ Res. 560n +13 567n 312u Golden Gold Mones 525n +13+	207 138 September 30 275 12 244 25 15 16 18 304 (September 10) 275 12 244 25 16 18 304 (September 10) 276 12 244 25 120 18	1.2 531 331 TACE 10s
1354 1054 ress. 2c. 28 (277.1) 2364 ref. 1 3.04 4 42 (277.1) 236 ref. 2 1 3.04 4 42 (277.1) 236 ref. 2 1 3.04 1 4 2 (277.1) 236 ref. 2 1 3.04 1 4 2 (277.1) 236 ref. 2 1 3.04 1 3	15-i 10-/PHanker Sd Carl 10-/Phanker Sd Carl 10-/PHanker Sd 27-/ 52-20 43 13-/PGB (Messon's Bar III 23-25-/Phanker J 24-/Phanker Sd 25-/Phanker J 24-/Phanker St 26-/Phanker St 26-/Phanker St 26-/Phanker St 26-/Phanker Sd 25-/Phanker Sd 25-/Phanke	256 120 Alliest Collects 100 - 145 -1 23 38 25 15.4 40 19 Formard Tech 27 27 -2 1033 -7.1 0.7 19.3 1.0 19.5 1.0 1	1 15 67 Frank Turner 110 1 102 37 31 17 3 144 10 15 bester beet 50 121 11 105 6 3 105 105 4 4 3 4 2 5 100 105 105 105 105 105 105 105 105 1
106-b) 994 Do. 25:06 (274 1) 106-b) 4 1 3.33 3.52 1094 984 Do. 25:ec:09 (310.71) 101 1-b 1 3.27 3.46 (2 1074) 101 100 25:ec:12 1294.1) 105-b) 45 1 3.27 3.46 (2 1074) 101 100 25:ec:13 1351.9) 885-b+5 1 3.20 3.36 (2 1074) 984 974 Do. 25:ec:13 1351.9) 885-b+5 1 3.20 3.36 (2 1074) 984 974 Do. 25:ec:14 (1272 D) 984 574 Do. 35:ec:14 (1272 D) 984 574 Do. 35:ec:14 (1272 D) 884 574 574 574 Do. 35:ec:14 (1272 D) 884 574 574 574 DO. 35:ec:14 (1272 D) 884 574 574 DO. 35:ec:14 DO.	115-912h Winkord Nat. Ger 51 131-1 51.20 55.6	25 12 27 19 160 117 17 18 160 117 18 160 117 18 160 117 18 160 1	8 310 142 Noset 173
979 91 10a, 25e: 20 G27 31 94ed-47 1 3.14 3.28 Presective real redemption rate on protected initiation of 111 10% and G215% to 15t Figures in guaranteness show FPI bare month for insteads, in 0 months prote to issue, RPI for January 1985; 149 8 and for August 1985; 145 8.	157 157	107 79 Caming (W) 45 31 15 10 11 126 12 126 13 14 1 23 12 12 12 12 12 12 12 12 12 12 12 12 12	40 20 4 30 4 4 20 4 4 4 5 5 6 5 6 5 6 5 6 5 6 5 6 5 6 5 6
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Financial Times Friday September 20 1985 INDUSTRIALS—Continued INVESTMENT TRUSTS—Cont. FINANCE, LAND—Cont.

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1896 | Law | Stack | Price | - '4 Net | Cor! Br's | High | Law | Stack | Price | - Net | Cor! Br's | Price | | Distriction | Prince | Princ 70 -2 30 -2 30 -2 31 -2 142 -4 152 -1 124 -1 125 -1 125 -1 126 -1 17 -1 17 -1 18 -1 19 -1 10 -7 10 Miscellaneous Unless otherwise inflicated, prices and set dividends decommistions are 250. Estimated price/estimbings ratios in outsets around reports and accounts and, where prosoble, yearly flightes, IVEs are calculated on "net" distribution share being computed by profit alter trustions and use applicable; bracketed frights worked to 10 per cost or calculated on "net" distribution. Covers are bused on "sand that compares gross dividend costs to profit after exceptional profits/forces but michalog estimated extent Vietis are based on madele prices, are gross, adjusted to an addition for value of declared distributions and raphs. "Tay Stock" "Tay Stock" "Tay Stock" I there is not revealed that have been adjusted to a for casia.

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E-F. Bedjain Francs. Fr. French Francs. 16 Vield to Tressary Bid Rule stays underly provided in the standard of progress and advised account of the france standard on merger former cannot advised and yield after sorte scene. I Payment from capit in previous yield. File predu. g Assumed dividend cover in expension yield. File predu. g Assumed to prospectus or other in 1985, 55 Assumed downed and yield according and yield based on prospectus or 1985. P. Figures based on prospec fess otherwise indicated, prices and net dividends are in pence and nominations are 25p. Estimated price/earnings ratios and covers are based Paim Dil 67 | | 157 | -3 | 118 | | 75:6+1 | 199 | ... | 60 | ... | 62 | -1 | | 94 | 67 | Anglo-East Plants | 157 | 118 | Serian Ido | 1175 | 669 | Cass. Plants | 118 | Serian Ido | 1175 | 669 | Cass. Plants | 130 | 5 | Grand Central Ido | 143 | 92 | Harrison 189, P. 1851 | 143 | 92 | Harrison 189, P. 1851 | 166 | 67 | Kasia Respons 1851 | 90 | 62 | Grove Enters Inv. 10p | 1 | 365 | 268 | Wight Collets, RS 104 | 573 | ... | 275 | 6 | 11 | 9 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 117 | 118 | 118 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 | 119 890 - 9,0 \$ 1.6 216 - 35,0 4.5 277 - 8 15,75 4.5 139 - 5 8,44,76 6.4 705 - 5 912,0 \$ 2.0 256 - 3 20,0 3.9 6.3 MINES Eastern

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686 | 436 | Western Arcs R1 |

1394 | E224 | Western Deep R2 |

1396 | E336 | E336 | E336 |

1397 | E324 | Western Deep R2 |

1397 | E324 | Western Deep R2 |

1398 | E346 | E346 | E346 |

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RECENT ISSUES

EQUITIES

Equities regain composure after four-day decline

British Telecom's figures please

Account Dealing Dates
Option

"First Declara- Last Account
Dealings tions Dealings Day
Sept 2 Sept 12 Sept 13 Sept 23
Sept 18 Sept 26 Sept 27 Oct 7
Sept 30 Oct 10 Oct 11 Oct 21.

" Mew-tions" dealings may take
place from 9.30 am two business days
archies.

London equity markets regained composure yesterday having previously drifted nervously lower for four consecutive trading sessions on crude oil price worries. Confidence was restored by the resilient performance overnight on Wall Street and British Telecom's betterthan expected first quarter profits.

profits.

The volume of overall business was nevertheless still moderate but, with buyers in the ascendancy throughout the day, widespread gains were recorded.

Stock in various blue chip industrials and assertions of the profit in short of the state o

The paucity of business trans-acted in conventional Governacted in conventional Govern-ment securities was reflected in closing price lists which showed scant alteration from overnight levels. Despite the steadier per-formance of sterling on foreign suchange markets, buyers were reluctant to rommit funds ahead of today's temperatur accounting of today's important economic data from the U.S.—the "flash" GNP third-quarter estimate. Index-linked issues, however, did show to advantage on con-sideration of current inflationary trends and gains here ranged

EQUITY GROUPS

improvement of 5 to 5 1985 peak of 272p. Hambres, np 20 on Wednesday after speculative buying, reacted from an initial firm level of 177p to close a net 5 easier on balance at 165p following profit-taking Hambre Trust also softened 5 to 165p in sympathy.

Composites mado the running in Insurances. Royals led the way with a rise of 17 to 682p, while improvements of 9 and 10 respectively were seen in GRE, at 682p, and Suz Allience, at 465p. Elsewhere, Legal and General improved o few pencemore to 673p after comment on the interim results. the interim results.

Allied-Lyons, dull initially amid thoughts that changes in the Australian taxation structure could inhibit Elders' inti-

Stock in various bluo chip industrials was very often in short supply after the institutions' brief foray on Wednesday and this resulted in some exaggerated price movements.

Oil shares took the previous day's technical improvement s stage further with sentiment receiving s boost by reports that Saudi Arabian oil production, which jumped to more than 3m barrels per day earlier this month, has since failen to around 2m barrels per day. Properties were popular following publicity given to stockbrokers' Phillips and Drew's review of the sector.

Eisewhere, takeover specula-

given to stockbrokers' Phillips and Drew's review of the sector.

Elsewhere, takeover speculation revived with Argyll Group a prominent feature behind press suggestions that Distillers may launch a bid of 400p per share. Allied Lyons, meanwhile, fell initially on fears that the planned Australian tax changes would deter o bid from Eldsrs but later recovered to close well above the day's lowest level.

The gradual improvement in sentiment was amply demonstarted by the performance of the FT Ordinary share index which extended an initial 3.5 gain at the 10.00 am calculation to one of 7.0 to 1,007.8 at the close.

The avertire of husiness trans-

ICI fluctuated narrowly prior to closing a shade dearer at 659p, whils Laporte closed 3 firmer at 318p following the satisfactory interim results and confident statement. Among other Chemicals, Leigh Interests put on 8 to 90p following a broker's circular.

operators unwound speculative positions. In contrast, secondary strends and gains here ranged controlled in sympathy with the general trend. NatWest moved up 6 to 638p and Lloyds recovered 5 at 408p. Elsewhere, Royal Bank of Scotland encountered revived speculative sopport and closed 6 daarer at 266p, while Provident Fluxusial continued to reflect takeover hopes with a fresh operators unwound speculative before settling 8 dearer on balance at 204p. Cable and Wire-Stores returned to the limelight limelight and provided a host of note-worthy features. Owen Owen STC rallied 4 to 92p. although sequence that the company were chatter revived; rumours were scepticism over reports of a bld to 435p as takeover for its undstreater cables operaties had sold its strategic stake in the company. Buyers also of its undstreater cables operaties had sold its strategic stake in the company. Buyers also of the agreed share-exchange bid advanced 7 to a new peak of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the agreed share-exchange bid from Telephone Rentals, 8 to the form the company of the fo

FT-ACTUARIES SHARE INDICES These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FINANCIAL TIMES STOCK INDICES

	Sept.	Sept.	Sept.	Sept. 16	Sept. 13	Sept. 13	ago year
Government Secs							
Fixed interest							
Indinary ♥							
Gold Mines							
Ord. Div. Yield							
Earnings, Yid. %tulin							
P/E Ratio (net) (*)							
Total bargains (Est.)							
Equity turnover &m.					530.65		
Equity bargains					31,356		
Shares traded (mi(- ;	200,2	164.4	172,0	245.7	760'6	186,7

■ 10 am 1004.3, 11 am 1004.5, None 1005.5, 1 nm 1008.0 2 pm 1007.3, 3 pm 1007.2, 4 pm 1007.5. Oay's High 1006.4. Oay's Low 1003.5. als 100 Govt. Secs. 15/10/28, Fixed Lat. 1928. Ordinary 1/7/35. Latest Index 01-266 8026. *Nij = 10.31.

HIGHS AND LO	ows	S.E.	ACTIVITY
		INDIC	ES
·			

					MDICES		
	19	85	Since Co	mpliat'n	Sept. 18	Sept.	
	High	Low	High	Low	Daily		_
t. Secs.	(40/7)	78,02 (25/1) 88,17	127,4 (8/1/85) 160,4	40.18 (6/1/76) 50.53	Gift Edged Bargains Equities Bargains Value	117,8 110.5 750,5	146.4 115.7 537.8
inary	(59/4)	011.0	1024.5	(8/1/75) 49.4	6 dayAverage Gilt Edged Barnains	194,5	125,2
Mines	586.0 (15/4)	280,1 (29/8)	784.7	43,5 (28/10/71)	Equities Bargains — Value,	119.1 774.3	119.6 786.0

Bixons improved 30 more to 885p, while Elys of Wimbledon, another perennial asset takeover situation, put on a like amount to 525p. Amber Day hardened a fraction to 74p in response to the annual profits recovery. Mail-orders, depressed on Wednesday by the cautious tenor of a markst research survey, attracted fresh support with Grattan 8 np at 312p and Empire 4 dearer at 140p.

arst-quarter profits in excess of expectations and tonched 205p before settling 8 dearer on balance at 204p. Cable and Wireless, 590p, and Thorn EMI, 377p, advanced 15 and 7 respectively. STC rallied 4 to 92p, although dealers were quick to express scepticism over reports of a bid for its underwater cables operation. Cass Comp. summed to

Wed Tues Mon

other Chemicals, Leigh Interests put on 8 to 90p following a broker's circular.

Leading Retailers continued to trade in sobdued fashion and only Burton, 5 dearer at 508p, made any appreciable headway. Woolworth, which revealed interim results on Wednesday, dipped 15 to 465p as short-torm operators unwound speculative positions. In contrast, secondary Stores returned to the limelight and provided a host of noteworthy features. Owen Owen spurited 40 to 435p as takeover chatter revived; rumours were boosted Victor Products 10 to

> Argyll Group claimed the light in the Food sector and raced up to 345p ptior to closing a net 9 up at 332p following a press suggestion that Distillers 6 higher of the fore and closed press suggestion that Distillers 6 higher of the day's best of 300p, may make a 400p per share bid; while MEPC advanced 7 to 299p. at the beginning of this month, Haslemere Estates rose 8 to 488p, Argyll issued a statement deny-and Peachey improved 3 to 261p. ing that it intended to make an offer for Distillers "at the present time." Distillers were also a firm market on expectations of a bullish statement from the chairman at the annual meeting and, with this duly forthcoming, the shares closed 10 higher at 395p, after 397p. Elsewhere, Rowntree Mackintosh

YESTERDAY'S

ACTIVE STOCKS

FL800 FL210 FL160 FL170 FL65 FL60 FL60 FL190 FL190

11.57 12.37 11.45 12.18 11.32 11.39 12.15 13.14

11.6 11.6 11.30

2,60 5,50 3,50 12 10,90 1,50 0,60 0,90 0,20

21.70 0.50 7.40 5.50 0.80 5.30 1.40 4.50 1.60 1.60 1.60 1.60 2.50

EUROPEAN OPTIONS EXCHANGE

10 150

205 | 5 | 267 | 666 | 514 | 522 | 50 | 50 | 15 | 400 | 50 | 10 | 75 | 90 | 10

10,10

revealed disappointing half-year profits, but the shares rose 11 to 373p on the board's confident statement. William Morrison gained 8 to 164p in reply to the excellent interim results and Hillards rose 10 to 385p in sympathy. Dee Corporation were favoured at 290p, np 5; the shares are quoted ex the scrip issue next Monday. Normans, a firm and active counter Tuesday on bid speculation, shed 2 to 794p in front of today's annual meeting, but Carr's Milling stracted fresh support and rose 11 to 151p.

A.B. Ports rise

Buyers reappeared for selected leading miscellaneous industrials. BTR revived with a gain of 8 to 356p and Beecham rose 7 to 335p. British Aerospace attracted renewed support on further consideration of the proposed UK Saudi Arabian military zireraft contract and closed 11 higher of the day's best of 411p, while Associated British Ports touched 347p prior to closing a net 19 up at 342p following a broker's lunch. Fisons hardened 4 to 351p, but Trafalgar House were a dull market and settled 7 lower at 354p. Elsewhere, Cookson slipped 3 to 252p after announcing an agreed offer worth 41.5m for the Frank Horswell Group, printing equipment suppliers and manufacturers. Steetley, up 5 at 345p, reflected a "chart buy" signal, while Slebe jumped 20 to 595p on bopes connected with its Compair subsidiary. USM-quoted Rameo Oil fell 10 to 40p following disappointing interim figures, while Staffordshire Potteries shed 2 to 61p in the wake of lower annual profits.

lower annual profits.

Dealings in Midsummer Inns were resumed et 275p compared with the suspension price of 265p; negotiations which might bave led to the acquisition of Georgo Bateman have been terminated. Owners Abroad hardened i to 24ip following the good interim results; while Barr and Wallace Arnold Trust A gained 9 to 128p on news that Mr Kerry Firth had increased his stake to 8 per cent.

Among generally idle Pobhiz stake to 8 per cent.

Among generally idle Publishers, Trinity International dipped 7 to 245p after the annual profits setback. Paper/Printings highlighted British Printing and Communication which advanced 7 to 185p reflecting satisfaction with the half-timer, but further consideration of the dismal midterm figures clipped 3 more from Bemrese, at 125p. Michael Peters, the USM-quoted design consultants, spurted 20 to 243p ahead of today's preliminary figures.

Publicity given to a broker's

or today's preliminary figures.
Publicity given to a broker's
circular in which buoyant city
rents were highlighted gave a
strong boost to the property
sector and some useful gains
were recorded. Land Securities
were well to the fore and closed
6 higher of the day's best of 3000,
while MEPC advanced 7 to 299p.
Hastemere Estates rose 8 to 485p, Elsewhere, London and Edin-burgh moved up 14 to 310p in a restricted market and Speyhawk gained 9 to 257p, the latter folloging Press comment. Rush and Tomkins found support nad firmed 6 to 262p and Percy Bilton gained the same amount to 228p. A. Caird attracted fresh buying interest in the wake of news that

WEDNESDAY'S ACTIVE STOCKS

Day'e change + 252 - 512 - 512 - 512 - 57

8 516,7

7,327.1

-10

0.50

<u>21</u>

IFL 500 FI. 97,60

FL280.54 FI.126.40

FL 85,70

F1, 185,50

FL 62,80 FL 58.50

F1.189,50

FL 75.70

F1. 50,60

FL198.80

FL78,10

F1.343.50

10 17,50 - 17,50 - 21 - 21 - 3 118 8,60 55 7,90 49 5,50 - 4,80

5,80 5,40 4 14.20 6,80

4.60 0.70 8.60 10.20

25.50 12

2.60 4.20 2.60 5.50 11 5.60 2.50

2.30 2.10 2.20 3.90 3.90 5.50

27 e76

Cardiff Property had acquired a 13 per cent stake in the company and put on 3 to 43p.

Britaunia Arrew hardened a couple of pence more to 112p on further reflection of the oxcellent interim profits. In sharp contrast, Yule Catte slumped 17 to 185p and Hico fell 27 to 161p following disappointment with their respective interim and full-year figures.

Oils up again

A report that Saudi Arablan oil production has fallen to a current 2m barrels a day from an early-September figure of around 3m barrels ad day helped the leading oils extend Wednesday's recovery movement. Bradded 5 more at 540p, a two-day improvement of 17—while Shell edged up a similar amount to 683p.

Secondary oils showed a statistical figures of the secondary of the seconda

Secondary oils showed a majority of minor falls. Falcan Resources dipped 5 to 55p as did Great Western Resources to 125p, but Monument Oil & Gas were well supported and improved 2 to 19p reflecting the company's interest in the recent North Sea oil discovery.

Overseas Traders again high-lighted Polly Peck which continued its recent recovery and advanced 9 for o two-day improvement of 18 at 221p.

Golds lose ground The recent steadier trend in South African mining markets South African mining markets was disturbed in early trading yesterday by marked weakness in the Financial Rand, which triggered widespread but generally minor selling of Golds from many international dealing centres. However, a gradual recovery by the Rand inspired "cheap" buying of Golds towards the end of the day and most closed well above the day's lowest levels.

lowest closed wen above ind day's lowest levels.

Sentiment in Golds was additionally belped by a relatively steady performance by the bullion price which made modest progress throughout the day.

Consolidated Gold Fleids Consolidated Gold Flelds attracted late support, aided by the recent good results and the firmer bullion price, and settled 3 better at 44Sp. Rio Tinto-Zine, however; continued to lose ground on selling ahead of next Wednesday's interim results and switching into Gold Fields, and posted a 7 decline to 55Sp—a fall of 32 on the week so far. Australians were marked down at the outset following a fresh bout of weakness in overnight Sydney and Melbourne markets

Sydney and Melbourne markets absad of news of the major package of taxation changes announced by the Federal Government. Government.
Traded Option volume expanded slightly. Total contracts struck amounted to 9,517.
British Telecom headed the list, attracting 1,918 calls and 454 puts in the wake of the excellent first-quarter figures. Operators also displayed fresh cothusiasm for Commercial Union which recorded 1,277 calls.

RISES AND FALLS YESTERDAY

F.P. 7 10011/11 146 F.P. 009 76 F.P. 6/2 130 F.P. 6/2 130 F.P. 123 F.P. 29 F.P. 39 F.P. 6/9 116 F.P. 306 76 F.P. 4/9 107 F.P. 2/8 125

FIXED INTEREST STOCKS

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11 52 185	NS F.P.] = 1	50pm Spm	lepn	Greenfield Blacks 10p	90 75 Dill	ij
185	100 NI1	28/10	130 -	99	Harson Trust	118 7pm	1+1
. 15	F.P.	! = !	1012	17	RTD Group JR 1.75p	19	+1

NEW HIGHS AND

LOWS FOR 1985 NEW HIGHS (68)

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PROPERTY (2)
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tral Do. Signe Cov.Pi.
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MALEICANS (2) MCOIP. BUSILDANGS (2)
Access Satellite Turris Cps.
STORES (1) Gee(Cacio W.ECTRICALS (X)

Desymant Electrical Type Circuits

Security Tag Systems
IMDUSTRIALS (5)
Ramoo Oil Leed Lease SOUTH AFRICANS (11 THUSTS (4)

MOCEN TOE MINES (6) Cultus Pacific

NEW LOWS (32)

OPTIONS

GR, Westri, Resources Samos PLANTATIONS (2)

First Last Last
Deal- Declara- S
ings ings tion
Sept 9 Sept 20 Dec 5
Sept 23 Oct 4 Dec 19
Oct 7 Oct 18 Jan 2 Last Last For Deal-Declara Settle-Oct 7 Oct 18 Jan 2 Jan 13
For rate indications see end of
Unit Trust Service
Money was given for the call
of West Caast, Falcon Resources,
Allied-Lyens, Westland, Barratt
Developments, Portman Mining,
Jack L. Israel and Harris Queensway. No puts or doubles were
reported.

RTHE-

525 1,687

LONDON TRADED OPTIONS Nov. Feb. May Nov. Feb. May Oct. Jan. Apr. 26 10 15 5 11₂ 5 11 22 42 76 87 15 87 00 25 15 60 60 63 63 160 180 800 280 300 380 360 55 27 10 5 40 5 15 28 20 4 40 83 15 20 30 40 105 62 53 15 34 50 40 25 15 59 10 e 34 45 15 25 10 1 05,1 03 11 8 54 17 34 27 15 1 1 15 33 385 360 385 390 420 18 47 25 11 37 20 0 150 190 70 46 25 500 560 350 390 420 105 75 50 10 16 170 160 050 220 34 10 8 40 26 14 mperial 0r. 150 |*195) | 130 | 200 | 220 45 27 18 55 38 93 17 25 50 43 1200 110 — 1250 60 72 — 1270 — 48 56 1500 14 50 40 1525 512 22 27 1550 1 5 90 19 21 10 12 51₀ — 56 70 -50 42 52 7 20 25

	& SUB-SE	CTIO	NS		Thu	ırs Se	pt 19	1985		Sept 18	Sept	Sept 16	(approx.)
F	gures in parenthes stocks per	es show		Apoles Ma.	Day's Change	Est. Earning Yield % (Max.)		Est. P/E Ratio (Net)	ad adj. 1985 to date	tadex No.	Index No.	index No.	Endex No.
\Box	CAPITAL GOODS	(206)				10.90			11.81	519.91		521.64	524.55
2 (Bulking Materials			550.3		11.91	4.84		13.04	546.54		549.41	462.89
3	Contracting, Const		29)	2461		12.33	5.04		20.76 35.52	822.79 1452.30		823.38	673.07 1548.23
-31	Electricals (1.4) Electropics (38)		***************************************	1120		11.51			30.05	1312.33		1316.20	
6	Mechanical Engin		2)			12.00	4.64		2.55				253.85
8	Metals and Metal			203.4	1 +8.6	12.87	7.82		5.75				189.54
9	Motors (16)			_ 1734		13.00	4.89		4.02			173.93	129.90
20	Other Industrial M COMSUMER GRO			- 960.4 688.3		9.19			15.81 13.25	945.95 685.73		948.61 691.41	699.58 533.68
5	Brewers and Distil	ters (23)	ر	705.5		9.7			13.84	706.72		738.84	506.33
2200	Food Manufacturi			497.		11.90			1361	498.91		499.80	412.81
26	Food Retailing (14	()		2631.		5.97			22.67	1621.66			1258.75
27	Health and House	bold Prod	bcts (9)_			6.4			11.95				
22 23	Leisure (22) Newspapers, Publi	I-blee /I	~~~~	677.		7.65			22.96 38.80			676.77 1889.90	594.37
33	Packaging and Pa	CONTROLL	·			9.73			7.49				242.72
34	Stores (42)	DEI 12 17	***********	697.4		7.23	3.07	18.90	9.86	693.41	697.01	702.31	450.65
35	Tentiles (16)			328.	75 +0.B	13.14			8.08			339.75	274.28
36	Tobaccos (3)			743.		18.14			21.66 15.03	743.45		755.14	
41.	OTHER GROUPS Chemicals (19)	(far)		677.		9.11			25.17	687.08 678.98			480.58 634.35
44	Office Equipment	(4)		205		7.71			5.79	202.20		196.90	
45	Shipping and Tran	sport (12	<u> </u>	1200	14 +14	7.82	4.4		36.20		1197.43	1211.32	887.52
46	Miscellaneous (64	(ا	····	842		7.64			15.19	343.25	844.22		670.85
48	Telephone Netwo					8.0			14.38				0.0
49	INDUSTRIAL GR		<u>3)</u>			76.50			13.53		1224.66	653.90	
프	0/is (1.7)			1139_		-			17.22			693.97	
59	500 SHARE IND			- 695.		10.4	5.00		13.25				
62	Banks (6)	INP (LLS	"	470.		19.0			19.80				
65	Immunoe (Life) (_ 742.	26 +05	1 -	4.5	1 -	16.03	738.64	730.95	730.20	514.31
66	Insurance (Compo						5.40		8.58				
67 68	Insurance (Broke Merchant Banks (rs) (7) 73\	*************	1115. 239.		7.4	3.84		25.71 5.80			1099.39 234.85	
69	Property (50)			659					11.44				599.57
70	Other Financial(2	5)				10.2			9.77	277.54			250.33
71	Investment Trusts	(doe)		590.		_	3.50		11.58				533.24
81	Mining Floance C		····	254.			6.0		5.36			259,52	
91	Oversens Traders			590.		12.6	4.5		23.86 15.86				583.54 531.35
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_			 _	- -	┝╾╼┩		3 4 Med		5 years		10.24 20.84	10.23	22.52
ا۔	Statist Consument	119.25		119.29	_ (822	5 Cons		o years		10.57	18.56	11.03
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2	5-15 years	132.98	-0.01	133.00		9.45	7 High		5 years		10.91	10.89	11.95 11.19
3,	Over 15 years	137.25	-0.63	137.19	- 1	9.92	8 Com	2005	is years		19,71	19.71 10.39	10.45
4	Irredeemables	150.82	· —	150.82		8.90	7) 10) Irra	de constitute d	5 years.	*******	9.84	9.84	10.05

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DRITISH COVERNMENT INDEX-LINKED STOCKS

2.46 15 Inflation rate

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WORLD STOCK MARKETS

WORLD STOC	LK WIARKEIS
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Color Colo	The Companies The Companie
COURSE 191 71 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Condition Chief price changes (in perce unless otherwise indicated) RISES
WORLD TRADE NEWS	CANNES/GRENOBLE/LYON/MONACO/ NICE/PARIS/TOULOUSE Your subscription copy of the FINANCIAL TIMES can be hand-delivered to your office in any of the above locations.

GLOBAL COMMENT DAILY IN THE FT

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Andric 2.6
Anthrus 60
Anheur 2.8
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Prices at 3pm. September 19

155 258 1118 1338 314 8-13 347₆ 11₂ -51₂ + 11 133₆ 31₄ + 9-10 347₆ + 11 25g 11 133g 51g 9-16 34% AdRosi .18 Adobe .26 Aeronc .21 Alrical .50 Airical .40 Airical .40 Arcaloff.20 Alphain .20 Alphain .20 Alexa .52 Alatea 5 13, 6 49 3 124, 9 124, 9 12, 16 6 3 12, 6 6 2 1-16 5 124, 9 13-19 1 5 123, E E 134 12 13 12 17 62 31 2 13-16 13-16 552 574 36 125 10 374 257 257 8 23% S 35% 7 5% 25% 6212 11 12 77% 872 22% 22% 22% 5 27 201 14 74 88 35½ 1 7 5½ 25% 55 11 1 75% 612 21% 21% EAC .40 ERC EaglCl Estgp 6.96e Echa8g .12 Elsinor EnrSrv Espay .40 712 614 238 84 1259 578 6 10 2 76 11 614 143 31 23 772 614 275 3376 1218 515 1878 712 874 3376 1275 1275 16 23 9 7 24 2 2 57 3 2 2 57 3 30 2 17 3 13 5 17 5 13 5 11 5 21 5 11 5 21 5 11 5 11 5 11 5 11 5 11 5 11 5 11 5 11 5 11 5 11 5 11 6 11 191, 65, 124, 221, 203, G 190₁ 65₈ 125₈ 245₈ 225₇ 225₄ Fishind Fidate Fische Fische Foresti. Pregil Gabyo Gniyig Gladh Ginne Goldw Gidfid Gradau Gradau Gradau Gradau Gradau Gradau Grada G 27 29 14 14 111 46 TIE
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Antwerp - 2000, 2000, 2010, 2000, 2000, 2010, 20

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Federal data brings spurt of optimism

A SPURT of optimism flowed through early trading on Wall Street yesterday, carried by encouraging federal data on consumer spending in August, writes Terry Byland in New York.

A report on consumer spending sponsored hopes of good news today from the Commerce Department on GNP growth. However, buying orders subsided after the early flurry and an overriding sense of caution returned to trim back ad-

At 2pm the Dow Jones industrial average was 2.80 higher at 1,303.20.

The most active stock on the New York Stock Exchange was Richardson-Vicks, where more than 3m shares traded in the first half of the session, moving the price only by a \$½ gain to \$49%. Hints that Unilever was about to win the bid battle against the Richardson board with an increased offer of \$60 a share swept the market after a federal judge temporarily restrained the board

from proceeding with its defence plans.
The Dow transportation average rebounded by more than 5 points as airline issues recovered sharply after this week's selling.

The bond market was also higher, de spite the signs of strong consumer spending, which caused some analysts to upgrade their forecast of today's GNP "flash" estimate from the Commerce De-

Frankfurt Commerzbank

Paris CAC General

STOCK MARKET INDICES

655.08*

153.67°

183,12*

1,306.8

683.7

695.65

308.6

507.5

10.40

Dec 31,1982-100

1,305.67* 1,300.40 1,213.01

648.29

153.31

181.71

1,000.8

1,294.8 628.98

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316.4

12,564.99 12,529.66 10,552.3

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Prev

131.03* 130.51 118.82

n/a 216.01 176.11

1,911.6 1,962.0 2,662.0 2,396.6

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1,398.84 1,396.88 1,454.78

491.7

212.2

Sept 19 \$316.75

\$316.75

\$315.50

Prev

892.39

377.7

182.7

Prev \$315.00 \$318.65

\$316.98

\$315.50

366.08 365.99

778.98

Sept 19

494.5

Sept 18 212.0

GOLD (per ounce)

10.39

1981 1982 1983- 1984 1985

521.26

134.59

166.94

868.2 1,125.2

531.35

580.19

End Month Floures

1400

1200

1000

200

KEW YORK

DJ Transport

S&P Composite

DJ Utilities

FT-SE 100

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AUSTRALIA

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WEST QURILANY

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Banca Comm

NATHERLANDS

ANP-CBS Gen

ANP-CBS Ind

HORWAY

Oslo SE

SHEAPORE

Straits Times

JSE Golds JSE Industrials

Medrid SE

SWITZERLAND

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WORLD

London Zürich

Paris (fixing)

New York (Dec)

SOUTH AFRICA

ITALY

Credit Aktien

Belglen SE

Metals & Minis

TOKYO

FT-A Ali-share

FT Gold mines

FT-A Long git

KEY MARKET MONITORS

partment and to predict that money sup

ply will continue to surge.
On balance, analysts expect the Federal Reserve to hold policies unchanged for the present – a view that firmed when the Fed again helped liquidity by buying \$500m of bills on its customer accounts. But buying came mostly from the traders.

Turnover in the stock market, moderate at first, gathered pace as prices turned higher. IBM, down \$1 initially, later moved up to \$127%, a net gain of \$%, with the stock attracting substantial turnover. But General Foods, another important constituent of the Dow average, remained \$3% down at \$85 as take over speculation cooled again. Specula-tive attention switched to Pillsbury, which gained \$2 to \$59% on hopes that

Phillip Morris might bid. Wall Street was impressed by the higher first-quarter earnings at British Telecom, and the stock moved up \$1 to

AT&T, \$% up at \$21%, continued to respond favourably to the Federal Com-munications Commission ruling, allow-ing joint marketing of the group's long-distance services and telecommunications equipment.

Other technology stocks to extend Wednesday's gains were Burroughs, up \$1% at \$64%, Digital Equipment, \$3 high-er at \$107% and Honeywell, \$1% ahead at \$64%. Only Control Data remained out

of favour, slipping \$% to \$18%. American Airlines at \$41% was \$% better, although trading was not heavy. Also firmer in slack trading was United, \$% up at 50% and Delta, \$% firmer at

Chrysler, \$% higher at \$37%, was the best-favoured among motor issues, which also rallied after several dull sessions, at \$68%, General Motors gained \$% in brisk turnover.

U.S. DOLLAR

242.0 8.845

2.383

1,950.0

(3-month offered rate)

(offered rate)

1992 1995

10% June 1990

3% July 1990 8% May 2000

10% Mar 1993

10% May 1993

10% May 2013

11.80 Feb 2013

12% Dec 2012

U.S. Treesu

£50,000 32nds of 100%

Dec U.S. Tree

(London)

Silver (spot fixing)

Copper (cash) Coffee (Sept)

Abbot Lab

Diamond Sharmock

Federated Dept Stores

10% 10%

58.6

2.803

2.388

3.259

58.65

1,37955 1,37775 1,8454

U.S BONDS

Price Yield

1001% 10.289

99°%; 9.062 99°%; 9.08 100°%; 10.289 100°%; 10.27

100% 10.435 100% 10.42 99% 10.679 99% 10.67

Yield

81% 8.70 82% 11.15

101% 11.60

FINANCIAL FUTURES

Latest High

74-29 75-00 74-14 74-23

92.61 92.64 92.58 92.63

91.65 91.88 91.64 91.69

91.36 91.36 91.30 91.03

111-18 111-19 111-13 111-20

Sept 19

£1,005.50 £1,009.00

£1,673.00 £1,684.00

441.00p

COMMODITIES

In a nervous financial sector, stock in Citicorp edged up \$% to 41% in heavy trading as the market took a positive view of the reshuffle of top positions. A strong feature was American Express, up \$1% at \$41%, also in hefty trading.

Other features included a gain of \$% to \$33% in Beatrice Group, as Salomon Bros priced an issue of 2.3m new Beatrice shares at \$33.

Stock in Wheeling-Pittsburgh jumped \$1½ to \$8% on suggestions that the chair-man might resign, opening the way for a settlement of the two-month strike by

the workforce. In the credit market, short-term rates remained at overnight levels, buttressed by federal funds at 7% per cent. Bond prices came off the top at mid-session as the market waited for the latest money supply statistics.

LONDON

Composure recaptured after slide

EQUITIES regained their composure in London yesterday after four consecutive easier sessions brought about by crude oil price worries. Confidence was also restored by British Telecom's better first-quarter profits than expected. BT ended 8p up at 204p.

Widespread gains were recorded, although the volume was only moderate. The FT Ordinary share index gained 7.0

Oil shares took the previous day's technical improvements a stage further with sentiment receiving a boost by re-ports that Saudi Arabian oil production, which jumped to more than 3m barrels a day this month, has since fallen to around 2m b/d. Gilts ended mostly unchanged from

overnight levels. Buyers were reluctant to commit funds ahead of today's important economic data from the U.S. Indexlinked issues, however, saw gains of up

Chief price changes, Page 41; Details, Page 40; Share information service, Pages 38-39

AUSTRALIA

1300

1050

1.336

78.35

1.841

11% 41% 4% 81%

3.8775

1.3405

3.8875

242.1 324.5 323.5 8.86 11.8575 11.837S

3,195

4.3725

78.55

11%s 41%s 4% 91%s

8% 8% 7%° 7% 7.90° 7.85 7.085° 7.085

Price Yield

Yield

99% 10.45 81% 8.70 82% 11.15

101% 11.60

1,944.0 2,614.0 2,597.0

CONCERN over the Government's tax reforms, which were announced shortly after the market closed, continued to

push prices lower in Sydney.

Most shares ended off their day's lows as bargain hunters stepped in late in the

In media issues, Fairfax shed 20 cents to A\$8.00 amid news of higher earnings for the year to June 30, Herald and Weekly Times was also lower at A\$4.65, down 5 cents, while News Corporation gained 10 cents to A\$6.80.

BHP ended the session unchanged at A\$7.30 after 8.7m or A\$78m worth of shares were traded.

HONG KONG

AFTER a sluggish session, stocks in Hong Kong ended the day mostly un-

Fears of rising interest rates and continued pressure on the banking sector because of concern over bank exposure to the financially troubled Orient Overseas shipping group continued to overshadow the market.

Hongkong Bank was steady at HK\$7.20 and Hang Seng Bank fell 50 cents to HK\$42.00. Ka Wah Bank ended at 96 cents against 95 cents on Wednes-

Hongkong Gas continued to rise after its healthy half-year report and finished the day at HK\$9.90, up 35 cents.

In the property sector, Hongkong Land added 5 cents to HK\$6.10, Sun Hung Kai Properties lost 10 cents to HK\$12.70 and Hutchison Whampoa dropped 20 cents to HK\$25.90. Cheung Kong gained 10 cents to HK\$18.10.

EUROPE

Brussels rides to record

DOMESTIC considerations, particularly the possibility of an extension in legislation that gives tax advantages to sharemarket investors, yesterday pushed Brussels to its third consecutive record. Although trading was slightly less ac-tive overall than in the previous two ses-

sions, key leading issues remained heavily in demand, giving rise to confi-dence on the market's longer-term pros-

Traders took profits and that slightly eroded the advance in the stock ex-change index. The indicator closed 12.45 higher at a record 2,485,10, boosting the

increase since Tuesday to 53.32.

The market's acceleration has been sponsored by expectations that the legislation giving tax breaks to people who invest in Belgian stocks will be prolonged beyond December 31.

Petrofina faltered during the afternoon session under the weight of mild selling but recovered to close BFr 20

higher at BFr 6,250 in active business. Other oil stocks were sluggish, with Cometra losing BFr 5 to BFr 2,695.

Profit takers were able to exert a far greater influence over the course of trading in Frankfurt, although volume was well down on recent levels. The Commerzbank index eased 5.8 to

1,535.3, taking it below the peak reached on Wednesday and reflecting as well the absence of foreign investors.

Leading chemical stocks moved against the trend to close generally higher. BASF ended DM 3.50 higher at DM 233.90 and Bayer firmed a modest 20ptg to DM 227.

Automotive stocks again appeared slightly overheated after their recent strength and came back under light al-though steady selling. Daimler shed DM 5 to DM 971.50, followed by BMW, down DM 4.50 to DM 493, and VW, which eased DM 1.70 to DM 337.30.

Siemens rebounded from the heights hit during sessions earlier in the week, ending DM 4.50 to DM 603, while Nixdorf continued to enjoy support and added a further 50pfg to DM 580. Deutsche Bank was depressed by self-ers early in the day and did not recover,

ending DM 2.50 to DM 602.50. Commerzbank was also lower at DM 220, off DM 2 and Dresdner shed DM 130 to DM

The dollar's early firmer tone depressed bond prices, which ended up to 45ptg lower in active trading. The Bun-desbank followed up a purchase of DM 47m worth of paper on Wednesday with the acquisition of another DM 26.4m.

Zurich's consolidation phase appeared to abate as share prices gained ground on increased volume in most sectors.

Banks received a lead from Bank Leu which added SwFr 30 to SwFr 3,790 and Union Bank firmed SwFr 15 to SwFr

Industrial stocks were mixed. Nestlê moved up SwFr 50 to SwFr 7,610.

Although trading in Paris was re-strained, the Bank of France's cut in the money-market intervention rate gave the market heart as prices edged higher. Amsterdam made a tentative move higher with foreign buyers responsible for selective buying among insurance

and publishing companies.

Amev failed to enjoy the support for insurers and slipped Fi 6.70 to FI 298.50 as trading began in rights for a forth-

coming issue.

Buying from institutions stemmed the decline started earlier this week in Milan, although the market ended mixed on a relatively small volume.

Stockholm gathered momentum and prices recovered ground lost earlier in the week. Madrid eased in dull business.

MALAYSIA

Activity in second-liners puts blue chips in shade

THE MALAYSIAN Stock Exchange, which has been the subject of a series of market-boosting measures by the Government in recent months, has sprung back to activity after a long lull, with record volumes and impressive gains being registered in recent days, writes Wong Sulong in Kuola Lumpur.

Last week, a total of 113m shares, val-ued at 241m ringgit (\$97m) was traded – a record so far this year – and yester-day's volume of 39.2m shares, valued at 76m ringgit, was the highest recorded

during the past two years. Significantly, the chief gains were confined to Malaysian-based situational stocks and second-liners, while blue chips and Singapore-incorporated companies were neglected.

As a result, about a score of issues

have put on impressive gains, some having appreciated by as much as 50 per cent in the past two weeks, while the Kuala Lumpur Stock Exchange industrial index, has hardly moved.

A foreign chack analyst and Malanter

A foreign stock analyst said Malay-sian fund managers and other local corporate investors had adopted a new strategy in the market by confining their activity mainly to domestic issues which are relatively tightly held. That has given them greater control of mar-

Malaysian institutional investors appeared to have learned a lesson from the short-lived rally last July when they were persuaded by Mr Daim Zainuddin, Malaysia's powerful Finance Minister, to buy actively in order to boost the mar-ket. The buying by Malaysian institu-tions was broad-based, and the rally fiz-zled within days because of heavy selling by Singapore and overseas investors seeking to take profits. Once again, analysts are wondering

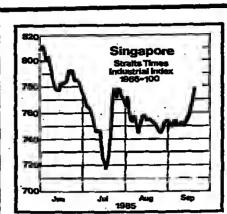
how long the current bullish run can be sustained, especially in the light of poorer corporata results.

Some feel the market is being pushed

up because of political expediency - the annual meeting of the ruling United Ma-lays National Organisation, where the country's economic performance will be a subject for debate, begins a week

Stockhrokers report considerable in-terest by Malaysian investors, and feel the market might be on the way to recovery if the momentum can be sus-tained for another couple of weeks. Companies that have made significant

gains in the current run-up include Antah Holdings, Malaysian American Assurance, MBF Holdings, Roxy, Kesang, Trengganu Development, Ganda, and Development and Commercial Bank.



SINGAPORE

CONTINUED speculative buying support and short covering sent Singapore sharply higher in active trading.

The Straits Times industrial index

firmed 11.98 to 778.93 as volume expended to 32.8m shares, up from 31.3m

Banks recorded strong gains, with DBS 15 cents higher at S\$5.35, UOB 12 cents up at S\$3.64 and OCBC 10 cents firmer at S\$8.10.

Properties were led higher by Selangor Properties, up 17 cents at \$\$2.00. Singapore Land gained 8 cents to \$\$2.16. Plantations, however, ended only modestly firmer.

TOKYO

Favourite falls from front line

PROPERTY, construction and incentivebacked stocks changed hands quickly in Tokyo yesterday, as profit-taking in Mitsubishi Heavy Industries, a market favourite, increased, writes Shigeo Nishi-waki of Jiji Press. The 225-issue Nikkei-Dow market av-

erage gained 35.33 to 12,564.99 on volume reaching 453.89m shares, up from Wednesday's 426.14m. Losses outnumbered gains by 407 to 395, with 157 issues unchanged

sues unchanged.

Mitsubishi Heavy Industries, which has been pulling up other large-capital issues since early August, dipped Y5 to Y429. It slipped from first to second in the 10 most active stocks list, with trading shrinking from 76.67m shares on Tuesday and 46.62m on Wednesday to 10:30ay and 40.2m on wednesday to 18.10m. Ishikawajima-Harima Heavy Industries and Nippon Steel dropped Y1 to Y200 and Y2 to Y168 respectively.

Among incentive-backed stocks, Sapporo Breweries was particularly popular, reflecting plans to redevelop its idle land. It was the busiest stock with 21.82m shares changing hands, soaring Y40 to Y615. egices

after

Ottory years.

2001

Mannager .

Nippon Yusen added Y16 to Y335 on expectations that easing of the Government's regulations on the shipping industry would allow effective use of real estate owned by the company. Nippon Express gained Y8 to Y595 and Mitsui Real Estate Y15 to Y987.

Real Estate Y15 to Y987.

Leading construction stocks attracted buyers, with three construction companies making it on to the most active list. Taisei jumped Y12 to Y383, Shimizu Construction closed Y8 higher at Y395, and Kajima Y3 higher at Y520.

Solview House was Y22 up at Y930 and

Sekisui House was Y22 up at Y930 and Kumagai Gumi Y16 up at Y884, Matsui Construction soared Y41 to Y356 and Sbokusan Jutaku advanced Y30 to Y590.

The yield on the benchmark 8.8 per cent government bond maturing in December 1994 rose above 6 per cent for the first time for three sessions. The bond slipped below the 6 per cent mark on Tuesday for the first time as a long-term bond on active buying by bank dealers, but investors were discouraged by a rise in U.S. long-term interest rates and the Japanese central bank governor's remark calling for prudence in bond transactions. However, other long-term government bonds firmed.

CANADA

THE recovery in Toronto continued yesterday after seven consecutive easier

Golds led the advance, reflecting the higher world bullion price. Lac Minerals traded C\$½ higher at C\$33½ and Red Campbell Lake added C\$½ to C\$30½.

Among actives, Inco was unchanged at C\$18%, Magna International rose C\$% to C\$18% and Dome Petroleum shed 5 cents to C\$2.73. Genstar, up C\$% at C\$30%, and Canadian Pacific, unchanged at C\$16%, were also active. Banks edged firmer in Montreal while

SOUTH AFRICA

A FIRMER trend developed in Johannesburg despite a weaker dollar gold

industrials and utilities shaded lower.

Randfontein added R4 to R214 and Southvaal rose R1.50 to R90 while Harties added 25 cents to R10.75. Mining financials and most other miners mir-rored golds. Amgold added R3 to R185 and diamond share De Beers gained 20 cents to R12.

Platinums were higher with Impala up R1 at R21.75. Industrials ended mixed with a firmer bias.

(EasyLink)	
Modern	£140
Software	£185
Registration fee	£ 40
2-year subscription @ £12.95 per month	£311
Total running costs for 2 years	£676
Daily running cost (1 yr = 260 days)	£1.30

EasyLink telex costs -a breakdown.

(Telex)	
2-year rental of Cheetah (87c 32k) talex equipment @ £322 per quarter	£2576
Line fees @ £88 per quarter	£ 704
Connection fee	£ 88
Total running costs for 2 years	£3368
Daily running cost (1 yr = 260 days)	£6.48

Ordinary telex costs -a nervous breakdown.

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